

## Khomeini to avenge killing of 72 politicians

From Tony Allaway, Tehran, June 29

Ayatollah Khomeini, the Iranian leader, today vowed to "fight to the end" the opponents of his fundamentalist revolution who killed 72 leading officials in a bomb attack last night.

"Are they human beings or not?" he asked a weeping audience at the mosque near his north Tehran home. "They don't dare to come out themselves. They hide in a corner and send out children to be killed or arrested."

The death toll from the explosion at the headquarters of the Islamic Republican Party (IRP), included four Cabinet ministers, six deputy ministers and 20 parliamentary deputies.

But it was the death of Ayatollah Muhammad Beheshti, IRP leader and head of the Supreme Court, that shook the people of Tehran most.

A funeral for the ayatollah and the other bomb victims was set for tomorrow morning. Mr Beheshti, the Government spokesman, publicly challenged the bombers to try to repeat their terror act at the funeral.

Ayatollah Khomeini lamented the death of "a very humble man" and thousands of fundamentalist mourners roamed the streets, many dressed in black, chanting: "The hero Beheshti is with God today."

Shops were closed as a week's official mourning was declared. Black banners dotted the city centre and loudspeakers broadcast religious verses in the streets.

Security was heightened. In fact, the search of reporters was thorough at the Prime Minister's office that one had even his hair examined.

Ayatollah Khomeini moved quickly to fill the huge gap in his administration created by the bomb outrage. He appointed Ayatollah Abdolkarim Mousavi-Ardebili, the Prosecutor-General, to the post of Chief Justice, and he is to serve on the Presidential Commission as well. His place was filled by another ayatollah.

Ayatollah Khomeini told Mr Muhammad Ali Rajai, the Prime Minister, to fill temporarily the empty Cabinet posts.

Mr Nabavi said the attack would not hold up plans to hold presidential elections on July 24.

There was still some doubt as to how yesterday's explosion occurred. According to the official Pars news agency, a bomb went off in a dusty area near where Ayatollah Beheshti was addressing a meeting of about 90 IRP leaders. But the Government spokesman said a 66-lb bomb had been placed next to one of the walls of the two-storey building.

Mr Nabavi added that evidence of those responsible for the act had been uncovered, but he would not reveal it, nor confirm that it was the work of the clandestine Mujahedin Khalq guerrillas, who support the dismissed President, Bani-Sadr.

Officials and the media insisted that it was the work of American agents, a category into which the Mujahedin are placed. "This is another daydream of the Great Satan," a radio commentary said of the United States.

Pars also reported that 11 "counter-revolutionaries" including Mujahedin members, were executed in Evin prison last night for offences related to the current wave of violence.

Another radio commentary promised that blood would be answered with blood.

As security officials urged people to report all suspicious movements and objects, many people feared that last night's explosion might be the start of further violence.

The authenticity of the bomb attack and the assassination of Mr Bani-Sadr's chief enemy in particular, is likely to encourage the continuation and possible intensification of the campaign of terror that now seems under way.

Washington: The United States has brushed off Iranian allegations that America was responsible for the Tehran bomb attack by saying that it would not dignify them with an official response. (Nicholas Blin, writes)

Photograph, page 6, analysis page 14, leading article, page 15

## £1,000m nuclear deterrent fails flight trial

By Peter Hennessy

The controversial £1,000m Chevaline programme, designed to upgrade Britain's Polaris deterrent by enabling its warheads to penetrate the anti-ballistic missile system around Moscow, has suffered a setback in its final stages of development.

Last-minute technical failure, which Whitehall has taken pains to conceal, has embarrassed the Ministry of Defence and delayed the application of the Chevaline programme to the Royal Navy's strategic nuclear force.

The latest flight trials, launched from the United States Air Force base at Cape Canaveral, Florida, and intended to test the separation of its multiple warheads and decoys, was not a complete success.

Another test flight is thought to be imminent. The Ministry is optimistic that the Chevaline system, developed over the past decade at the Atomic Weapons Research Establishment at Aldermaston, will work satisfactorily in the end.

The failed trial, which took place at the turn of the year, it being treated as more of a hitch than a disastrous setback. But it has meant that the submarine HMS Revenge, one year into its 18-month refit, will not be carrying Chevaline warheads when it puts to sea early next year.

The Chevaline programme, developed behind the tightest secrecy during the Heath, Wilson and Callaghan Administrations, has been criticised in both Houses of Parliament and cost were revealed to the Commons in January, 1980, by Mr Francis Pym, then Secretary of State for Defence.

Asked by *The Times* to comment about the failure of the Chevaline separation trial, the Ministry of Defence said last week: "The development and testing programme of Chevaline continues and is close to completion."

"Like every other technically-advanced development programme, the project has had both successes and disappointments at various points during its history. It is, however, for security reasons, not our practice to discuss, or any other similarly complex project, to comment in detail on particular phases or trials before development is complete."

Deterrent that failed, page 3

## City exodus to the country

Britain's urban people are rushing to the country and small towns. London's population is less than 7,000,000 for the first time in 80 years. Preliminary results of the 1981 census also show a big drop in population growth. Page 4

## Israel poll puts Peres ahead

An opinion poll indicated a further recovery for the Labour Party of Mr Shimon Peres, as the Israeli general election campaign closes. Page 6

## Reagan promise

President Reagan told the National Association for the Advancement of Coloured People in Denver, Colorado, that his economic programme would make blacks better off than costly and ineffective welfare programmes. Page 6

## Bomb arrest in Vatican

Security guards at the Vatican arrested a man as he lit the fuse of a home-made bomb in St Peter's Basilica minutes before a Mass celebrated by Cardinal Agostino Casaroli, the Secretary of State. Page 6

## Civil servants' action to go on

The Civil Service strikes are to continue despite the Government's decision to set up an inquiry into future pay. Sir John Megaw, a former Lord Justice of Appeal, will head the inquiry. Page 3

## New low for gold

Gold fell \$13 yesterday to \$299, an ounce, its lowest level since December, 1979, after heavy Middle Eastern selling overnight. The dollar's strength was behind the fall. Page 17

## Chairman Hua is demoted in reshuffle

From David Bonavia

Mr Hua Guofeng, Chairman of the Chinese Communist Party and nominated successor of Mao Tse-tung, was demoted today to the status of a vice-chairman, and his post taken over by Mr Hu Yaobang.

An official announcement this evening said that Mr Hua had offered his resignation, without giving any explanation. Observers believe this is the culmination of a long process whereby Mr Deng Xiaoping, the leading vice-chairman and de facto ruler of China, has eroded Mr Hua's power because of the latter's record of left-leaning policies.

It may be only a matter of time before Mr Hua is consigned to obscurity. His presence in the Politburo still represents the threat of a counterpoint around which neo-leftist forces opposed to Mr Deng could gather.

Mr Hua, aged 67, is a veteran of the 1935 Long March and an experienced party administrator with special experience in youth affairs. Short of stature, like Mr Deng, he is seen as an outstanding *approachnik* who suffered from Mao's extreme-left policies in the Cultural Revolution.

Nobody has been officially nominated to fill Mr Hua's former position as party secretary-general, but another experienced man, Mr Xi Zhongxun, has been nominated as a new party secretary, which could indicate further promotion.

National television tonight showed Mr Hu giving a vigorous address to the sixth plenary session of the eleventh Central Committee, which was convened without announcement last Saturday and ended today. Mr Deng looked pleased and animated. Mr Hua looked morose, and was shown only briefly.

Mr Hua also resigned his position as chairman of the Military Affairs Commission, which was transferred to Mr Deng, formalising a situation which is known to have existed for some time. Mr Hu by virtue of his party chairmanship, becomes Commander-in-Chief of the Armed Forces.

The results of the meeting are seen as a victory for Mr Deng's right-leaning, pragmatic policy line. However, concessions have obviously been made to the tendency of many senior cadres to cling to the leftist positions of Mao, by Mr Xi Zhongxun, who, by Mao, is only for fear of being labelled in a possible leftist restoration.

No noticeable change in China's foreign policy can be deduced from the reshuffle. Another important matter agreed by the meeting is a report on the historical role of Mao, as well as "certain questions in the history of our party since the founding of the People's Republic of China".

There is taken to mean that Mao's early revolutionary role will be praised in the evaluation of his merits and errors, while his leadership from 1957 until his death in 1976 will be severely criticised, or mainly passed over in silence.

The meeting is seen as clearing the way for more thorough implementation of Mr Deng's liberal economic policies, and paving the way for the party's twelfth congress, probably next year. The rout of the leftist faction at the top level is now complete.

## Chinese and Russians invited by Labour

For the first time, representatives of the Communist Parties of China and the Soviet Union are to be invited to the British Labour Party conference in Brighton as official guests (Our Political Staff writes).

Representation of the two countries has in the past been through diplomatic staff in London with no special political role.

The Chinese were invited because the Communist Party there was the host when Mr James Callaghan, then Opposition leader, and Mr Ronald Hayward, general secretary of the Labour Party, visited China in 1979.

But when the matter came before the national executive, Mr Frank Ailman, left-wing MP for Salford, East, questioned whether the presence of the Chinese, and proposed that the Russian party should be invited as well. That was approved.

Leading article, page 15



Not this year: Tracy Austin in action at Wimbledon yesterday when she was knocked out of the women's singles by fellow American Pamela Shriver who beat her 7-5, 6-4. Report, page 9.

## Lonrho's 'Observer' bid gets go-ahead

By Craig Seton

Mr Roland "Tiny" Rowland, head of the Lonrho conglomerate, yesterday won government approval to take over *The Observer*.

Mr John Biffen, Secretary of State for Trade, has accepted a recommendation from the Monopolies and Mergers Commission that the controversial deal should be allowed to go ahead, subject to conditions.

The commission, whose report was published yesterday, voted seven to one in favour of allowing Lonrho to take over Britain's oldest Sunday newspaper, but it said that consent should be withheld if 11 conditions about the appointment and role of at least six independent directors on the Observer board were not met.

The commission concluded that "ownership by Lonrho must not be expected to operate against the public interest", although one member disagreed and wrote a minority report.

In a Commons written reply Mr Biffen said: "The attachment of formal conditions to the acquisition of a newspaper is clearly a matter of considerable public concern. I am anxious that any conditions should be no more than the minimum necessary to provide adequate guarantees for the newspaper's continuing editorial independence."

After the announcement there were clear signs that opponents of the Lonrho deal had been defeated. Mr Rowland accepted that Mr Rowland had beaten them. The future of Mr Donald Trefford, the editor, and Mr David Astor, editor from 1948 to 1975 and a member of the board, whose family owned the paper, is now in doubt.

Mr Rowland said last night that Mr Biffen's decision was a "great relief". He said he did not think any more could be done. "I personally think Mr Biffen made a great mistake," he said, "but I am not a politician. I am a businessman. I am not going to argue with the Government. I will be seen to be."

Mr Trefford had no comment to make.

Lonrho, on the other hand, welcomed Mr Biffen's decision and said the commission's recommended conditions were in line with assurances the company had given. They formed the basis for a prosperous future for the newspaper, and the preservation of its fine traditions.

Under the deal, Atlantic Richfield, present proprietors of *The Observer*, which lost £4m in 1980, will accept £3 in cash, plus a 20 per cent stake in George Outram, Secretary of the paper, and a 20 per cent stake in the paper's publishing arm, *The Observer Publishing Co*.

The commission said it believed on balance that the combination of Lonrho management and financial resources would be of advantage to *The Observer*, whose future was not immediately in jeopardy.

It was understood last night that Mr Trefford would attempt to see Mr Biffen quickly over his decision. The newspaper's National Union of Journalists will meet today and may draw up recommendations for the minister over editorial independence.

Details of conditions, page 4  
Leading article, page 15

## Eleven policemen injured

By a Staff Reporter

Eleven policemen were injured when they answered a distress call from an ambulance crew, which was attempting to take a man into hospital last night.

The crew drove to Mornington Avenue, Ilford, Essex, to find the man to be Goodmayes Hospital, which was finally able to get him to hospital.

The man was later detained at Ilford police station.

## Mitterrand challenges Thatcher over economic strategy

From Michael Hornsby and Peter Norman  
Luxembourg, June 29

Mrs Margaret Thatcher's hardline economic strategy was challenged today by President Mitterrand at the summit meeting of EEC leaders in Luxembourg. There was growing support for the French Government's view that more must be done to create new jobs.

In the period ahead, M Mitterrand said, the priority of priorities must be the fight against the scourge of unemployment. But for Mrs Thatcher there was no question that beating inflation was paramount.

Outside the conference centre in the pouring rain a demonstration by more than 2,000 trade unionists from throughout the EEC underscored the growing problem of unemployment.

A gloomy paper submitted to the summit by the European Commission saw little chance of a fall in unemployment in Europe over the next five years. That bleak picture was endorsed by virtually all the EEC leaders, although Mrs Thatcher saw a glimmer of hope in the apparent stability of oil prices.

The summit was the first appearance of M Mitterrand in public since becoming President. He is to have breakfast tomorrow with Mrs Thatcher when their difference on economic policy will no doubt again be aired.

The President called for the EEC to finance investment in efficient sectors and new growth industries, and urged a new emphasis on industries which needed an EEC-wide base such as computers, research, public works and energy-saving programmes.

M Mitterrand also spoke of the need to create what he termed a "European social zone", an attitude of mind which would give priority to the place of the worker in society.

He said that Europe must also move, in consultation with the trade unions, towards a shorter working week of 35 hours, to make the available work provide more jobs. The

President referred to this several times during his half-hour speech; but it was rejected by Mrs Thatcher.

M Mitterrand also had harsh words for the Japanese and the Americans. He deplored the "impenetrability of the Japanese market" to European exports and expressed irritation over the problems caused by high American interest rates.

Mrs Thatcher, however, urged a balanced view of American interest-rate policy and reiterated the British belief that little purpose would be served by public lectures to President Reagan at the Western economic summit in Ottawa.

While deploping the high level of interest rates, Herr Helmut Schmidt, the West German Chancellor, appeared closest to Mrs Thatcher in his general approach to economic policy. He expected the Ottawa meeting would be difficult because of conflicts between monetarists and those who wanted to stimulate demand.

Herr Schmidt gave a gloomy report of economic developments in his country, where the huge balance of payments deficit is heading towards 30,000 marks (\$6,470m) and public budget deficits stand at record levels.

For her part, Mrs Thatcher said there was no magic formula to the EEC's economic problems, and no point in "investing for investment's sake".

Problems could not be solved by throwing money at them and public spending had to be controlled to create more room for private investors, she said.

Herr Schmidt was expected to express his strong disappointment that the Commission's latest proposal for reform of the EEC budget made no concession to West Germany's demand for an upper limit on its contribution to the common fund. He said the deficit would rise above £1,000m in 1981.

In discussions over dinner tonight, Mrs Thatcher and her colleagues were due to discuss the Middle East and the future of the EEC's peace diplomacy there, and Poland and Afghanistan.

Britain president, page 7

## Great British breakfast at the end of the line

By Michael Bailey, Transport Correspondent

After reductions in Inter-City and commuter trains, British Rail is planning the unkindly cut of all.

The Great British breakfast, delight of generations of businessmen and the rest of their doctors, looks like being phased out within five years in BR's relentless search for economies.

In place of the steaming platter of egg, bacon, sausage, tomato, mushrooms, fried potatoes and fried bread there will be apparently an EEC type of breakfast: limp slices of cold ham and cheese for those who want something more than tea and toast or coffee and croissant.

The axe is hanging over what some consider Britain's greatest contribution (apart from the railway itself) to the railway age because it accounts for most of the cost of a restaurant car service for which demand and cost-effectiveness are rapidly falling.

Restaurant car meals, after dropping from four million to two million between 1969 and 1979, fell again to 1.6 million last year and are expected to fall to 1.4 million this year.

That calls into question the future of 2,000 staff and 350 restaurant cars engaged in the service.

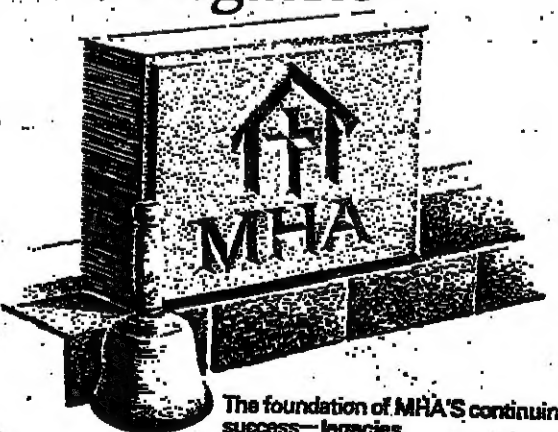
Last year BR imposed what many thought swingeing cuts in the price of restaurant car meals: a 60 per cent actual and 40 per cent real rise in the price of a breakfast to £5.50 (or £5.80 for the Gold Star service including an extra sausage); and a 30 per cent real increase for lunch and dinner.

## Poland not to get remains of Sikorski

By Our Political Correspondent

The Government has decided not to return to Poland the remains of General Wladyslaw Sikorski, the wartime leader, now buried in Newark military cemetery.

## The foundation of MHA's continuing success ... legacies



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Home News	2, 3, 4	Crossword	28	Parliament	8
Overseas News	5, 6, 7	Diary	14	Sale Room	2
Appointments	8, 16	Events	14	Sport	9, 10, 11
Art	16	TV & Radio	13, 14	Theatre, etc	27
Bridge	16	Features	13, 14	Weather	27
Business	17-24	Letters	24	Wills	16
Court	16	Obituary	16		

University results, page 16; Personal, 25 and 26; and Times Information Service, back page.



# Haughey's advice on Maze may signal tough opposition

By Julian Haviland, Political Editor

Mr Charles Haughey's advice to the British Government to "find a solution" to the hunger strikes in the H-Blocks at the Maze prison near Belfast sent a few ripples along ministers' spines in London last night.

Was this, they asked, the first sign that Mr Haughey in opposition in Dublin, if such is to be his fate, will be as awkward as he has been cooperative in government? They are reluctant to think so, but they wonder.

Governments do not, on sound principle, think about whether one prime minister or a friendly country is likely to be a better prospect than his predecessor, even when they know for certain that a change is taking place.

But some discreet comparison of Mr Haughey and his rival, Dr Garret FitzGerald, has been going on in London.

The general view is simply summed up. Mr Haughey, as Prime Minister, has been an excellent ally. There is no reason to fear that Dr FitzGerald, if he forms the next government, will be any less easy to work with. But there is some anxiety that Mr Haughey may be obliged to be difficult in opposition, in a way that Dr FitzGerald was not.

The chief criterion of virtue in a Dublin prime minister, as seen from London, is that he should be cooperative on cross-border security. Mr Haughey has been excellent.

Since he became Prime Minister, the republic's police, backed by the Army, have been noticeably tougher. They have

been in greater strength along the border. There have been more arms finds and more arrests.

In return, the Government, led by Mrs Margaret Thatcher, has allowed Mr Haughey to claim a special relationship. In personal terms, the two prime ministers have indeed had friendly relations.

But Mr Haughey, who claimed a historic breakthrough at their talks in Dublin last December, and Mr Brian Lenihan, his Minister for Foreign Affairs, have pushed their luck a little with Mrs Thatcher by suggesting that Northern Ireland's constitutional position might be up for discussion between the two governments.

That has never been true. But Mrs Thatcher, with one politician's understanding of another's needs, has been tolerant even to the point of embarrassing her own relations with Ulster unionists.

The two main rival parties to Mr Haughey's Fianna Fail both supported the Anglo-Irish talks in their election campaign, but they were sceptical of Mr Haughey's claims.

Dr FitzGerald, speaking in Roscommon on June 5, promised that a government led by him would keep close contact with Westminster on all matters concerning Northern Ireland.

"But we will not excite appetites we cannot satisfy," he said. They would "be guided by a prudent scepticism about British purposes".

The Irish Parliament assembled today, for the first time since the general election, to choose a new Government, with four of the six vital independent votes still not publicly committed.

One of the independent members says he will abstain and another says he will vote for the proposed Fine Gael/Labour Party coalition. Mr Charles Haughey's chances of getting a majority remain slim, and the best he can probably hope for is a draw, thus forcing another election.

He is particularly keen to secure the support of Mr Neil Blaney, the hard-line Donegal-based independent, and that might partly explain the Prime Minister's robust comments on the Maze question yesterday.

Another independent, Dr John O'Connor, yesterday praised Mr Haughey's handling of the hunger strike, but did not declare which way he would vote.

Dr FitzGerald was still confident last night that he would scrape home and become the new prime minister. He seems likely to collect two, and possibly three of the independent votes.

The proceedings in the Dail began this afternoon with the election of the Speaker, and it is possible that the incumbent, a Fianna Fail man who would normally be returned automatically, will be withdrawn so he can vote for the election of the next prime minister, the second item on the agenda.

# Three-week Tube strike plan unveiled

From David Felton, Labour Reporter, St Andrews

Railwaymen are drawing up plans for an all-out strike on the London Underground lasting at least three weeks. The main union has set aside £500,000 to finance the dispute and intends to call for strike funds from its members.

Mr Sidney Weighall, general secretary of the National Union of Railwaymen, outlined the strike plans yesterday when he attacked Mr Ken Livingstone, Labour leader of the Greater London Council.

The union has called the strike to start on July 20, in protest at London Transport's refusal to increase the pay offer of a basic 8 per cent increase with an extra 10 per cent for productivity. The union, which represents 15,000 Underground workers, is claiming a 15 per cent increase.

Mr Weighall, speaking at the union's annual conference in St Andrews, said the union had warned hard during the GLC elections to bring Labour to power. In an obvious reference to Mr Livingstone's support for Mr Wedgwood Benn he suggested that the GLC leader should take a full-page advertisement in Labour Weekly to explain his pay policy for London Transport.

"The extent of Mr Livingstone's response to our representations is an offer of 8 per cent plus half per cent together with a whole string of conditions, which could not have been bettered by Sir Horace Cutler."

One thing with Sir Horace was that I knew where we stood with him, he was against us, and when we stood for a stand with the GLC, Mr Weighall said.

He said the union would get in touch with other unions in the South-east including all transport workers to make the strike effective, and "we expect total support".

But Mr Weighall was criticised by Mr Robert Kettle, leader of the London Underground workers, who accused his general secretary of entering into a war of words with Mr Livingstone. "This is not about personalities. This is a fight for London Transport workers", Mr Kettle said.

Further evidence of the growing industrial tension on the railways came when Mr Tom Heath, president of the union, called on Sir Peter Parker, British Rail chairman, and his board to resign.

The demand was coupled with a warning that the union may invoke the terms of the "triple alliance" with miners and steelworkers and "ask them to take industrial action".

"I know there is a danger of having another Beching foisted on us if the present board do resign but at least we will know exactly where we stand," Mr Heath said.

Sir Peter is due to address the conference this afternoon.



William Crompton, aged three, upstaging Roy Jenkins in Warrington yesterday.

# By-election knives sharpened

From John Chartres, Warrington

Verbal knives were being sharpened yesterday as the Warrington by-election entered what could be best described as campaign-mime-one day.

Although the Labour and Conservative press conferences were originally not scheduled to begin until this morning, both parties' candidates held informal gatherings after the Social Democrats Party had started with their first meeting at 9 am yesterday.

At the SDP conference, Mr Roy Jenkins, the candidate, declared that the two issues were going to be unemployment, which has risen to an uncomfortable 12.8 per cent in Warrington, and the present state of the Labour Party about which he was sure many constituents were worried.

Mr Douglas Hoyle, the Labour candidate, responded half an hour later by declaring that unemployment was the only real issue and that voters would look to him and his party for a solution and not to a retired pensioner from the EEC and a consultant to a firm of merchant bankers.

He called Mr Jenkins a traitor to the Labour movement. About an hour later, Mr Jenkins and Mr Hoyle, both walking round in the town centre, almost met at a shop corner. They withdrew in opposite directions warned by advance guards.

Later Mr Stanley Sorrell, the London bus driver who has been chosen by the Conservatives, proclaimed that he had encountered no resentment among local Conservatives.

He also dismissed suggestions that he had been put in as a whipping boy by the Conservatives, nor as Mr Hoyle had put it earlier, had he been thrown in the wolves.

Mr Sorrell, who like many others involved in this contest uses the phrase no way frequently, brandished a letter yesterday which he said came from a socialist saying that he had been put into the contest as a whipping boy.

He declared: "What makes me so different from anybody else? I came to Warrington because of the party I believe in." Answering other suggestions made by Mr Hoyle he said: "There is no way I will lose my deposit."

Many political big guns are due to descend on Warrington, which until recently remained out of the political limelight, regarded as a safe Labour seat and as one of the most cheerful and relatively prosperous corners of the economically hard-pressed north-west region of England.

The visitors expected include Lord George-Brown, due to arrive this evening in support of Mr Jenkins; Dr David Owen tomorrow; Mr William Rodgers on Friday; Mr Michael Foot at some stage in the Labour campaign; and most of the North-west group of Labour MPs, with Mr William Whitelaw and Sir Geoffrey Howe in support of Mr Sorrell.

Frank Johnson, back page

# Diplomatic offenders are listed

By George Clark, Political Correspondent

The big lawbreakers among the embassies in London were listed in the Commons answers yesterday.

There were 52,293 fixed penalty notices for parking offences cancelled on grounds of diplomatic immunity between April 1980 and March this year, according to provisional figures given by the Metropolitan Police.

The most frequent offenders were the diplomats from Nigeria, whose cars accounted for 3,542, or 6.77 per cent of the total. Next in the list is Egypt, with 2,209 offences.

Then follows France with 1,885; Saudi Arabia, 1,867; Libya, 1,601; Iraq, 1,541; India, 1,523; Bulgaria, 1,468; Ghana, 1,274; Cyprus, 1,163; Spain, 1,020; Cuba, 1,017; Jordan, 1,011; and Jamaica, 1,009.

Bottom of the list of 24 embassies are Luxembourg and Tonga, with two apiece.

The answer was given in reply to Mr Greville Janner, Labour MP for Leicester, West, who was also asked the fixed penalty notices cancelled amounted to 4.56 per cent of all notices issued in 1980 by the Metropolitan Police.

Another list given by Mr Patrick Mayhew, Minister of State for Home Affairs, shows the offences alleged to have been committed by diplomats between 1976 and 1980 which were not pursued because diplomatic immunity was involved.

These, including shoplifting, went down from 25 cases to 20 last year (there were 34 cases in 1979), but road traffic offences involving drink went up from 13 in 1976 to 25 in 1980.

The number of diplomats in Britain is about 16,000, and families.

# SCOTTISH TORIES IN TOP CHANGE

Mrs Margaret Thatcher has appointed Dr Allan Smith deputy chairman of the Conservative Party in Scotland, it was announced last night.

Sir Charles Bell and Colonel William Dalziel have resigned. Sir Charles's position as chairman of the Scottish Conservative Board of Finance has been taken by Mr James Gould.

# Police were right at Brixton, chief insists

By Lucy Hodges

The commander in charge of the police division covering Brixton said yesterday that the police were quite right to handle the Brixton riot and the events leading up to it in the way they did.

Commander Brian Fairbairn, who led police forces during the riot, told the Sunday Mirror yesterday that if circumstances required he would carry out another Swamp operation in search of muggers and robbers, such as was mounted before the April riot.

Questioned by Mr Wilson Hill, counsel for three community groups, the commander added that he would not consult with community leaders beforehand.

"You seem to suggest that I should consult and seek permission before I implement a security exercise, and I say no," Mr Fairbairn said.

Mr Hill said that mental attitude was not conducive to good relations in Brixton.

"I deny that," the commander said. He also denied that the police contributed in any way to the disturbances of April

10-12. There was nothing they would have done to avoid it.

Mr Rudy Narayan, a leading black lawyer, said for the Brixton Legal Defence Group, accused the police of using the inquiry as a smoke-screen behind which officers were continuing to make unlawful arrests of black youths.

He said they were still arresting people because of a rise on the basis of 4,000 photographs which they were shown at Kennington police station.

Mr Fairbairn said that was not true. Officers were being shown photographs of certain people to see if they could identify them.

Mr Narayan's examination of Commander Fairbairn lasted four hours. He suggested that some of the youths now being arrested were being denied access to a lawyer. The commander rejected that allegation.

Mr Narayan said that Swamp 81 was an illegal operation because people were stopped and questioned by police without reasonable reasons for suspicion.

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# Laboratory insulin on trial in hospitals

By Our Science Editor

Five British hospitals are testing the first pharmaceutical preparation made by genetic engineering to undergo clinical trials.

The substance is insulin. And the trials are examining the effects of transferring patients who need an insulin injection at least once a day from the substance extracted from animals to a biosynthetic human variety.

One hundred people are taking part at Guy's Hospital, King's College Hospital and St Thomas's Hospital in London; the Royal Infirmary, Glasgow; and the Royal Hallamshire Hospital, Sheffield.

The insulin, which is produced by the Eli Lilly company, has been tested on volunteer staff at Guy's Hospital and is undergoing clinical trials in the United States.

Biosynthetic insulin is identical to insulin produced by the body. There are indications

# Rape attempt scene 'was gross indecency'

By Frances Gibb

Two actors committed an act of gross indecency when they simulated a scene of attempted homosexual rape in Howard Brenton's play *The Romans in Britain* at the National Theatre, it was alleged at Horseferry Road Magistrates' Court yesterday.

Mr John Smyth, QC, for the prosecution, said that the act had taken place in the bright lights of centre stage and there was no doubt that an act of buggery was simulated.

He was opening the case for the private prosecution brought by Mrs Mary Whitehouse against Mr Michael Bogdanov, who produced and directed the play which was in repertory at the National Theatre from October 16 last year until the end of March.

It is alleged that Mr Bogdanov committed a criminal offence under the Sexual Offences Act 1956 in allowing an act of gross indecency to be committed by the two actors.

Mr Bogdanov has pleaded not guilty and has elected for the case to be tried by jury. He faces a maximum sentence of two years imprisonment and an unlimited fine if convicted.

Mr Kenneth Harrison, the stipendiary magistrate, has decided if there is a prima facie case for committing the case for trial. A decision is expected today.

Reporting restrictions were lifted at the request of the defence. The case is being regarded as of the greatest importance to the theatre.

The prosecution, which is the first to be brought over a simulated sexual act under the Sexual Offences Act, comes about after Mrs Whitehouse was refused permission to bring an action under the Theatres Act 1968. It is thought that if she succeeds, there could be similar prosecutions in future.

Lord Hutchinson of Lullington, QC, for the defence, accused Mr Whitehouse of a blatant attempt to circumvent the law and the intention of Parliament when it formed the Act to abolish censorship.

He said he did not doubt Mrs Whitehouse's sincerity. But her aim was quite clearly censorship. She wanted the excision of a half-minute section of a three-hour play. "There is no evidence in law that this defendant procured any act of gross indecency in regard to this performance."

"It is important that one section of society's view should not ever come to be imposed on the rest of the population who



A scene from the play, "The Romans in Britain".

go to see plays, and it should not be laid down, however well meaning, what everyone else should and should not see. No one person should act as the keeper of the public conscience."

Mrs Whitehouse was not in court yesterday. Mr Smyth said: "She could not say anything which was in any way relevant to these proceedings. She has not seen the play."

But Mr Graham Ross-Cornes, her solicitor, who went to see the play on her instruction on December 19, nine weeks after it opened, described what he saw and how it offended him.

It was the whole play to which Mrs Whitehouse had taken exception, and it was the whole play that had shocked him, he said, particularly the language and the four letter words.

When it came to the attempted homosexual rape scene he said: "I found myself watching it entirely without

feeling at all. But I was shocked that there should have been a portrayal of this kind of act on the stage of the National Theatre."

The scene induced in the audience horror and aversion, he said. One woman behind him had shouted "No, no, I don't believe it", indicating she could not believe that kind of thing happened. There was no doubt at all that what she saw was an act of gross indecency.

Describing what the scene involved, Mr Smyth said it opened with three Celts emerging naked from a river after a swim. They were soon disturbed by three Roman soldiers. One Celt was seriously wounded, if not killed; the second was killed outright and the soldiers turned their attention to the third.

They ran at this third Celt, who was a druid, and injured him with their shields. He fell to the ground apparently unconscious, Mr Smyth said.

# Science report

# Time to leap ahead by one second

Pearce Wright, Science Editor

Time signals throughout the world will be delayed for one second immediately before 1 am British Summer Time tomorrow.

The reason is a "leap second", declared by the Bureau International de l'Heure in Paris to synchronise clocks with astronomical time.

The decision to introduce leap seconds is made on the basis of data gathered from the national observatories of many countries; in Britain it comes from the Royal Greenwich Observatory, Herstmonceux.

Corrections are made periodically so that the international time signals remain within a second of solar mean time on the Greenwich meridian. This is determined by measurements that take into account unpredictable changes in the Earth's spin rate.

An international agreement was made in 1967 defining the length of the second and on the use of the leap second to compensate for discrepancies caused by fluctuations in the spin of the planet. To keep the 24-hour day in step with the spin rate, the second was adopted as the basic unit of time and it was defined as equal to 9,192,631,770 oscillations of a caesium atom of an atomic clock.

The observatories found that the times of local sunrise, sunset and noon were getting out of step with time as given by caesium and other atomic clocks.

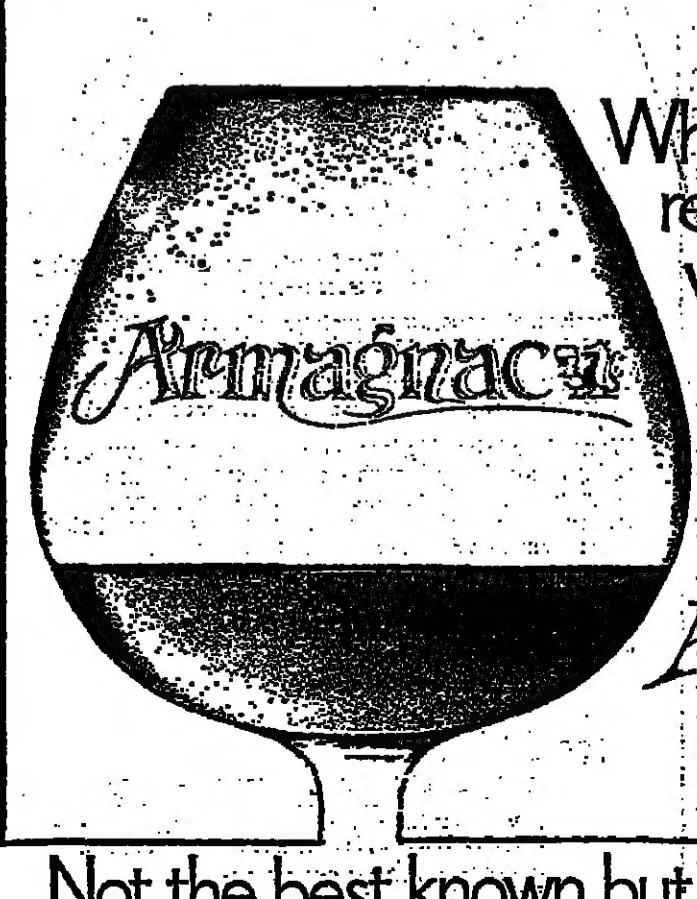
Therefore, leap seconds were introduced into world time at the end of each year from 1972 to 1979, with an extra one in June 1972. None was added in 1980.

However, the international time bureau has decided that the Earth is again falling behind world clocks and the correction is needed with the addition of one second to Co-ordinated Universal Time.

This succeeded Greenwich Mean Time with the advent of atomic clocks. The world time zones are still measured from GMT, and universal time is used where extreme accuracy is needed.

Precision timekeeping to within millionths of a second has become vital to a variety of industrial, military and scientific activities, ranging from satellite navigation to synchronizing the electrical generators in wide-spread networks.

DRIVER KILLED  
Mr Alan Bailey, aged 41, of Preston, Hull, died yesterday after crashing his double decker bus into a bus shelter. It is thought that he had a heart attack.



Why does a restaurant as well known as The Hunting Lodge serve a brandy as little known as Armagnac?

Not the best known, but known by the best.



# Inquiry will not stop Civil Service strikes

By Donald Macintyre, Labour Reporter

Civil Service union leaders declared last night that industrial action would continue despite the Government decision to set up a wide-ranging independent inquiry into future pay in the service under Sir John Megaw, a former Lord Justice of Appeal.

The unions are likely to make representations to the inquiry, which Lord Soames, Lord President of the Council, told the Lords yesterday reflected the Government's concern to establish fresh and acceptable pay arrangements as soon as possible.

The Council of Civil Service Unions last night said there was no possibility of calling off the industrial action when it holds a full meeting on Thursday, because the announcement of the inquiry did nothing to resolve civil servants' grievances over pay in 1981 or 1982.

Lord Soames made it clear yesterday that he hoped the inquiry would report by next summer so that the recommendations could be considered "in good time before the 1983 pay settlement".

He appealed to the unions to respond equally constructively by ending their disruptive action without delay.

There was no question of the



Sir John Megaw, who will hold the inquiry.

Government increasing its 7 per cent pay offer for this year and hinted that the offer itself might be withdrawn if the unions failed to call off selective strikes currently involving over 5,000 civil servants.

The most immediate encouragement for the Government was the affirmation by Mr William Kendall, secretary-general of the council, last night that although a formal decision was required he would recommend that the unions gave evidence to the inquiry.

Mr Kendall, however, was adamant that the announcement of the inquiry did nothing to answer the pay aspirations of civil servants this year or next.

"While the independence and impartiality of the chairman is not in doubt, the independence and impartiality of the Government is," he added.

The unions, which are holding a policy meeting today, will have to consider on Thursday the mandate given to the executive of the largest union, the Civil and Public Services Association, for an all-out strike.

Industrial action by air traffic control staff caused delays at Heathrow airport, London, for up to six hours for transatlantic passengers yesterday.

Further disruption will be caused when control staff at the West Drayton, Prestwick and Edinburgh control centres strike this morning. Key staff at Heathrow and in Glasgow will walk out this afternoon.

The terms of reference for the inquiry, outlined by Lord Soames yesterday, provide for Sir John and his colleagues to have regard "to the public interest in the recruitment and maintenance of an efficient and fairly remunerated Civil Service and in the orderly conduct of the business of Government and the public".

The inquiry would take into account other conditions of service and matters related to pay, including management structure recruitment and grading.

Leading article, page 15



Family snapshots: These photographs of Lady Diana Spencer, who will be 20 years old tomorrow, were released by Buckingham Palace. They show her as a chubby-cheeked girl of three, playing croquet barefoot when she was nine, and dressed up later on in a flamboyant hat.



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## Police 'filmed a knockout sale'

From Tim Jones, Swansea

Twelve antique dealers who were alleged to have operated an illegal ring were filmed secretly after the auction conducted a knockout sale among themselves, it was claimed yesterday.

A jury at Swansea Crown Court were told that the dealers were filmed and recorded in a room at the Ivy Bush Hotel, Carmarthen, after attending an auction in the town.

Mr Gareth Williams, QC, for the prosecution, said a ring operated when dealers attending an auction agreed not to bid against one another. After the sale, he said, the men held their own private auction known as a knockout.

Thus a clock bought for £60 when the ring operated could fetch £120 at the knockout with the difference in price being shared among them.

At one stage, during the knockout, he said, Chief In-

spector Donald Evans, disguised as an electrician, went into the room to see what was happening.

When later he revealed his identity, he said: "You are all under observation. We have seen exactly what you have been doing. It's a knockout. You have been caught."

Mr Williams told the jury: "You will see film showing the knockout going on, and the passing of £5 and £10 notes. You will hear the crinkle of the notes as they are passed from hand to hand."

Before the court were: Ronald Yates of Astoria's Walk, Swansea; Victor Stroud, of Church Street, Nottingham; Peter Labarre, of Posthouse Court, Kings Cleeve, Leamington; Robert Baker, of Victoria St, Newark; Lincolnshire; Malcolm Blum, of Christchurch Road, Chichester; Terry Baker, of Victoria St, Newark; Nottinghamshire; Anthony Backhurst, of Clyde Road, Goddard, Surrey; Fabio Giacomozzi, of Whittle Close, Southall, Middlesex; Jeremy Smith, of Grandstand Road, Epsford; Gerald Taylor, of Winford Court, Epsford; Robert Jordon, of Rosecroft Road, Southall, Middlesex.

They are charged under the Auctions Biddings Agreement Act with agreeing to give consideration as inducement or reward for abstaining or for having abstained from bidding at a sale or sales by auction at the Curiosity Sale Rooms, Carmarthen.

They are further charged with agreeing to accept from dealers within the meaning of Section 12 of the Act, consideration as inducement or reward for abstaining or for having abstained from bidding at the Curiosity Sale Rooms.

All 12 plead not guilty to the charges. The trial, which is expected to last for two weeks, continues today.

## Doctors' warning on pay award cuts

From Nicholas Timmins, Brighton

The Government was given a warning of trouble yesterday if it again cut the award for doctors made by the independent review body which recommends their pay.

Despite the British Medical Association's muted response to the Government's decision to cut this year's award from 9 to 6 per cent, Mr Anthony Grabham, BMA council chairman, told the association's annual representative meeting: "If there is any repetition next year then I believe the reaction of both the review body and the profession will be very different."

The review body has indicated it will resign if the Government imposes cash limits that effectively pre-judge the level of award it can make.

Mr Grabham said the Government, the doctors, and the review body must work together "to ensure that a responsible profession is not unfairly and repeatedly disadvantaged because of its responsible behaviour".

Mr Grabham, who with other BMA officers has been censured by junior hospital doctors for their lame response to this year's cut, criticized those who had demanded a more belated reply.

"Who do they think they are fooling?" he asked. "Do they really believe the Prime Minister would have been frightened and changed her decision?"

The BMA had made its concern plain to Mrs Margaret Thatcher, but there had been no significant support this year among doctors for sanctions or industrial action.

Outside the meeting Dr Michael Rees, chairman of the Junior Hospital Doctors Committee, said he believed the Government could have been made to pay the 9 per cent over nine months if the BMA had taken a firm stand.

The junior doctors have accepted the 6 per cent.

A doctors' union? page 14

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A doctors' union? page 14

## Miners choose Benn supporter

From Ronald Kershaw, Barnsley

The headquarters branch of the Yorkshire area of the National Union of Mineworkers has nominated Mr Kenneth Capstick, aged 40, an electrician, as the union's candidate in the forthcoming reselection conference in the Pontefract and Castleford constituency.

The sitting Labour MP is Mr Geoffrey Lofthouse, a former personnel manager, who was elected at a by-election in October, 1978.

Traditionally, Pontefract and Castleford was a miners' seat and until the election of Mr Lofthouse was held by a member sponsored by the miners, Mr Joseph Harper, who died.

Mr Arthur Scargill, Yorkshire miners' president, said after a meeting of the NUM's central committee yesterday that Mr Capstick's was the only nomination before the council.

At the time of the 1978 by-election, the miners' nominees lost the Labour Party candidature by only two votes to Mr Lofthouse.

It is widely held that that loss brought home to the Yorkshire NUM area council the fact that miners were losing representation and gave impetus to the drive by Mr Scargill to involve miners' branches more deeply in politics.

Mr Lofthouse was not disturbed at the news of an NUM-sponsored opponent last night.

Mr Capstick says he is "on the left". He is a supporter of Mr Wedgwood Benn.

Short-listing for reselection is expected on July 17 and the reselection meeting on August 8.

Mr Joseph Ashton, Labour MP for Barnsley, Nottinghamshire, who had a majority of 7,179 at the last election, has been re-elected by a special delegate meeting with 30 votes, compared with five votes for his opponent, Mr Paul Sherton, a miner at Bevercotes colliery, Nottinghamshire.

## Protester in banned Sands rally fined

A student on a banned march in Kilburn, London, in support of Robert Sands, the Irish hunger striker, was fined £25 and ordered to pay £25 costs for obstruction yesterday.

Simon Michael Terry, aged 21, of Castle Road, Camden Town, denied wilfully obstructing the free passage along Kilburn High Road, London, on April 26.

He told Willesden Magistrates' Court he was arrested when trying to move away from the demonstration.

Mr Gavin Gibb for the prosecution, said he had refused to move on and prevented other people from dispersing.

The magistrates dismissed a charge of obstruction against Declan John Butler, aged 21, of Seaton Point, Nolan Way, Hackney, who said he was on his way to a football match when he got caught up in the demonstration.

A demonstrator on the march, Aiden Brian Campbell, aged 25, of Comber House, Comber Grove, Camberwell, was bound over to keep the peace after charges of obstructing the police and obstructing the highway had been withdrawn.

## Airport profit hopes

By Our Local Government Correspondent

The 23 local authority airports in Britain expect to make an operating profit of £17m in 1981-82, compared with an estimated profit of £13.2m for the previous year.

After all financing charges are taken into account, the total surplus for 1981-82 is estimated to be £9.9m, compared with £1.7m in 1980-81.

The figures, published by the Chartered Institute of Public Finance and Accountancy, are based on the budgets of the 20 airports in England, two in Wales and one in Scotland.

Of the 23, eight have budgeted to make a profit; led by Manchester, which estimates an operating surplus of £12.2m.

## Whitehall brief

£1,000m deterrent fails to get off ground

By Peter Hennessy

Even before the latest setback, the Chevaline programme for improving Britain's Polaris missile system had come to be seen by many in Whitehall as the Ministry of Defence's Concorde, with the important difference that Concorde works and Chevaline has yet to, despite more than 10 years' work and an investment of £1,000m of public money.

Normally sober individuals involved in the story use adjectives like scandalous and disgraceful when talking about it in private. Some on the Chevaline issue at least, join the freedom of information lobby and contend that had the Heath, Wilson or Callaghan governments of the 1970s told the truth about the project, or, equally, had the culpable British press exposed it, the programme could have come under the glare of parliamentary and public scrutiny it so desperately needed. Instead, it was buried away each year in the other research and development item and elsewhere in the defence estimates.

What has gone wrong? Even the protagonists of Chevaline who maintained, and still do, that it was a sensible decision given the Soviet Union's capability for erecting an anti-ballistic missile system far more extensive than the one the 1972 treaty allows it to use as a shield over Moscow can agree on one aspect of the matter.

Chevaline has proved to be a disastrous weapon procurement in terms of lack of financial control. Although the concept was conceived in the late 1960s and came to fruition during Mr Edward Heath's administration, the big expenditure on £240m took place after Labour's return to power in 1974.

Mrs Barbara Castle's diary entry for November 20, 1974, noting a Cabinet discussion of Mr Roy Mason's defence review, records: "The main rub case over nuclear policy, on which Harold [Wilson] was clearly expecting trouble. . . . Harold prepared the way carefully by saying that though we would keep Polaris and carry out certain improvements at a cost of £24m, there would be no 'Poseidonization'. . . . [A reference to the United States Poseidon missile developed after Polaris.]

Even allowing for the surge in defence cost inflation over the past several years, a year on Chevaline since 1974 does not come anywhere near a price tag of £1,000m.

The efficiency and economy, shoo of Chevaline critics point out, that the Atomic Weapons Research Establishment at Aldermaston was obliged, in the end, to turn over the management of the project to British Aerospace.

A second and growing school inside the defence community contends, as some have above the start, that Chevaline was unnecessary. The Soviet leadership, they argue, could not be sure that its anti-ballistic missile system would destroy all Britain's Polaris A3 missiles with a Moscow label on them before they burst above the Kremlin. Even if such certainty was allowed, a capacity to wipe out other important cities (the so-called Minsk option) is perfectly adequate for the kind of nuclear deterrent needed by Britain.

The Minsk option men believe that Chevaline should have been stopped either in 1972, when Professor Sir Hermann Bondi, then Chief Scientist at the Ministry of Defence, completed his longer term review of nuclear policy, or in March, 1974, after Labour returned to office.

Why did Chevaline carry on, presuming ever more funds from an increasingly hard pressed defence budget? The harshest of its critics contend that Chevaline represents a classic "bounce" by the nuclear scientific lobby and its allies on the politicians. The few ministers let into the decision-making process were always prey to any plausible marauding boffin on matters of high technology, especially when the spice of national security is added, the argument runs.

At bottom, it has been said privately, Chevaline was simply a job creation scheme to keep Aldermaston going in the lean years between the completion of warheads for Polaris and the designing of a successor system for the 1980s, while ensuring the free passage along Kilburn High Road, London, on April 26.

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## BBC enters market place battle with video pirates

By Kenneth Gooling

BBC video cassettes for the home were launched in London yesterday with 20 titles including British birds and rock music, and a projected catalogue of 300 productions.

It was the start of BBC Enterprises' campaign to tackle video pirates.

Mr Bryon Parkin, Enterprises' managing director, said: "We have always believed one of the ways of combating piracy is to put the genuine article in the market place. It will probably cost more than the pirates are charging, but I am concerned that the people who make the programmes and the performers are the ones getting the credit from the pirate in the high street."

The pre-recorded videobooks, as they will be called, will vary in price from £29.95 for children's programmes to £39.95 for Treasures of the British Crown, and £2.95 for Barbara Woodhouse, Geoffrey Smith's

## Meat group presents bones as valuable food source

By Hugh Clayton, Agriculture Correspondent

Bones are a valuable source of food, the FMC Group of Meat Companies said yesterday, in the opening of a FMC factory near Bedford where offered sausages that included protein extracted from processed pig bones.

They tasted the same as conventional sausages, and the group vigorously denied any link with recently reported adulteration of meat products with animal from knackers' yards and with soya.

Mr Christopher Absolon, special projects director of the group, said analysts would be unable to differentiate bone protein in a sausage from meat protein derived from meat.

The group was not trying to disguise worthless by-products as meat. It wanted to sell bone-based products as natural ingredients for items as diverse as cake and shampoo.

Mr George Cattell, group managing director, said FMC was campaigning for a change in food labelling law which would allow protein extracted from bones to be described on sausage and pie labels simply as meat.

He explained that the law now defined meat as flesh including fat and the skin, rind, gristle and sinew.

Mr Cattell said: "We have been pressing for a change in the definition in line with the new technology now available, so far without success."

FMC believes it has a two-year lead over competitors in the bone process. The £125m factory opened yesterday can handle 4,000 tons of the 500,000 tons of bones believed to be produced each year by British farm animals.

Dr Alan Jobling, development manager of the bone project, said the group was paying £70 a ton for bones and selling the extracted protein powders and fats at £400 a ton.

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Ever wished you had a second bathroom? Often thought of having a shower in the bedroom but didn't want damp carpets or splashed wallpaper?

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The Dolphin Caribbean is a beautifully designed shower and cubicle, incorporating a rust-free aluminium frame and 'easy-glide' sliding doors. This splash and leak proof construction includes attractive, shatter proof acrylic panels with a 'frosted glass look' finish, and a deep, non-slip base.

The Caribbean is neatly and easily installed into the corner of any room, and its unique design eliminates for ever the risk of splashed walls and damp carpets sometimes encountered with conventional shower curtains. What's more, it's so easy to keep clean — a boon with young children — and attractive to look at when not in use.

The Caribbean will be a valuable long term asset for your home and the envy of your friends.

As if all this wasn't enough, the Caribbean also has the revolutionary and exclusive Dolphin shower with the 'built-in-brain', that can shower you for about 1½p — giving at least six showers for the cost of heating one bath.

**Automatic control**  
An automatic temperature stabiliser and anti-scald safety protection sensor controls the temperature you select — for as long as you want it, making the Dolphin shower totally safe for the old and the very young.

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## Witch-hunt claim as Paris media purge continues

From Charles Hargrove, Paris, June 29

M Jean-Pierre Elkabbach, the director of information of the Second Television Channel, generally regarded as one of the most successful and controversial personalities of French broadcasting, resigned his post today.

His departure comes after the resignation of the heads of the radio station Antenne 2 and of FR3, the third television channel, last week.

In another change at the top, M Antoine de Clermont-Tonnerre, the president of the Société Française de Production (SFP), which produces programmes for the state television companies, was replaced today by M Bertrand Labrousse, who was the head of SFP for a brief period in 1978, and had put forward a recovery plan for the company, which was plagued by mounting debts and labour unrest.

The departure of M Elkabbach was not unexpected. His success as a director of news, coupled with a somewhat dictatorial manner, and his alleged sympathy for the "old regime" of M Valéry Giscard d'Estaing had made him many enemies inside and outside the company. He had become a symbol of the bad old ways in the eyes of left-wing activists.

The demand for a purge which would include him and other prominent broadcasting personalities was put forward by "action committees" in the different television companies at the instigation of M Georges Fillard, the Minister for Communication, who called on employees to bring pressure on them to go, if they did not do so of their own accord.

But two heads of companies — M Jacqueline Baudrier,

the president of Radio France, and M Jean-Louis Guillaud, the president of TF1, the first television channel — have made it clear that they had no intention of yielding to pressure upon them to resign. As they are under three-year contracts there is no legal way at present for the Government to compel them to do so.

The left-wing union producers' branch at TF1 has protested against the "attitude of the management which continues to apply the anti-social policy of the Giscardian Government", which is another way of demanding M Guillaud's departure.

But the CFTC, the minority Christian trade union, has complained of the climate of witch hunt which is prevailing in the media. "Never had such a climate of intolerance prevailed even in the dark hours of the occupation," it stated with slight exaggeration.

M André Bergeron, the leader of the moderate Force Ouvrière union, condemned yesterday what he called the "practice of people's courts to reform the media." If the Government considered changes were needed, it was up to it alone to carry them out, he added.

The agitation has not spared the private radio stations like Radio Monte Carlo, and Europe Number One. Paradoxically, enough, Radio Luxembourg has been spared, because its freedom of style and content during the presidential election campaign had incurred the displeasure of M Giscard d'Estaing. It has been given a certificate of objectivity, which protects it from grass roots recrimination.

## 'Devil at work' in France

From Our Correspondent, Geneva, June 29

The Socialists' coming to power in France is the work of the Devil, Mgr Marcel Lefebvre, the traditionalist Roman Catholic Archbishop, said today in ordaining eight new priests at Ecône in the Upper Rhone valley.

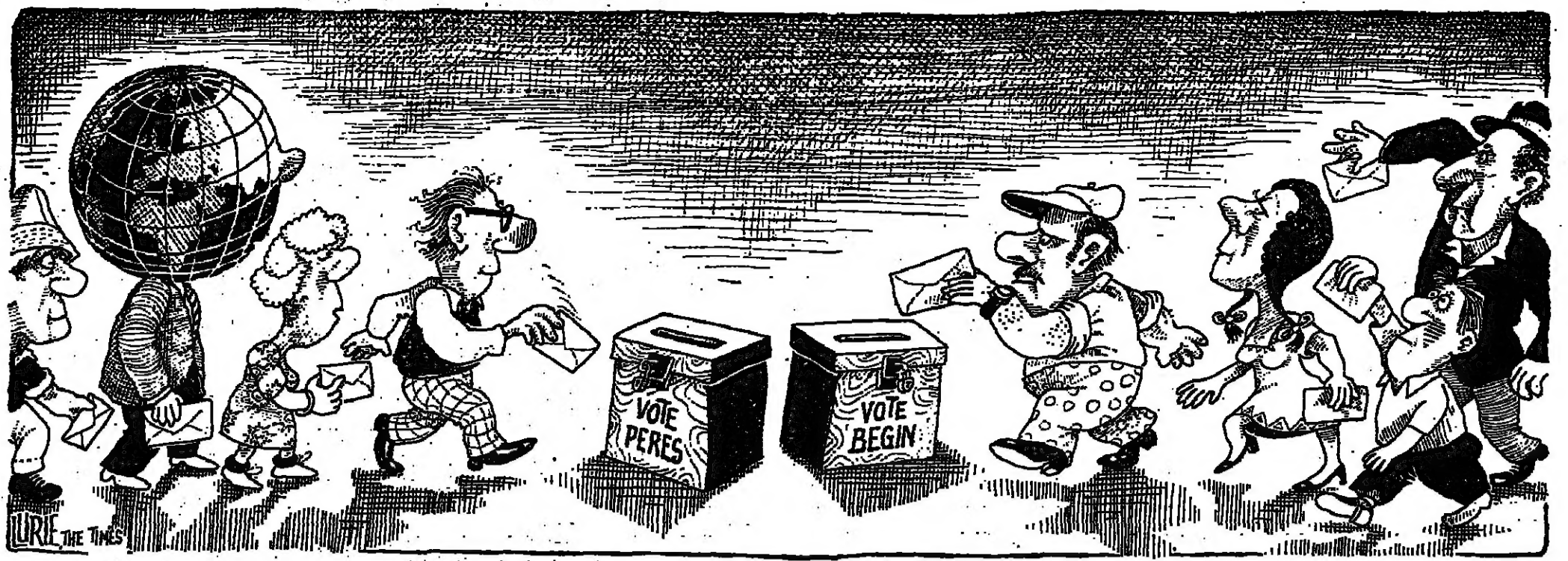
His voice, charged with emotion echoing through the loudspeakers from the nearby mountainside, he told an open-air congregation of more than 3,000: "We have noted, alas, in our beloved France how, at these elections, the bishops, the priests and the people of the Church supported Socialism. Whoever speaks of Socialism speaks of opposition to Our

Lord Jesus Christ, in favour of atheism."

The Archbishop, who is 76, said it seemed the Devil had been unleashed and was at last attaining his goal. "By socialism which is becoming general in all countries, by communism which is spreading in the world, the Devil hopes to finish off the Catholic religion."

He said that in North and South America, and in most areas of Europe, the anti-Christian movements were being aided, voluntarily or involuntarily, by the bishops.

"If this is where we are today, it is because the clergy is formed according to modern, liberal ideas."



## Thais put price on head of drugs chief

From Neil Kelly, Bangkok, June 29

Thai authorities are to offer a big reward for the capture of the man alleged to control three quarters of heroin trafficking from the "golden triangle" area of Burma, Laos and Thailand, a senior narcotics police officer said today.

Mr Khun Sa, who moves freely in Thai-Burmese border areas, was recently described by Robert De Pauw, regional director of the United States Drug Enforcement Administration, as "an enemy number one who must be immobilized."

Thailand has issued a warrant for his arrest, but until now no reward has been offered although there is a reward of \$50,000 (£25,000) for one of his accomplices.

Thai and international narcotics agents say Mr Khun Sa runs most of the 12 to 15 heroin refineries on the Thai-Burmese border.

This year's huge opium crop has resulted in increased arrests and drug seizures in the past three months. General Prachub Sumrangkoon, a Deputy Prime Minister, says that 11 men recently arrested with large quantities of narcotics, including one haul of 209lb of heroin, morphine and opium, were working for Mr Khun Sa.

About 45 Britons are now held in Thailand on charges connected with drugs. They are the largest group of foreigners in prison here.

Mr Khun Sa, half Chinese and half Shan, would not be out of place in the pages of a thriller. He rules the 5,000 men

of his private army with the ruthlessness of a warlord.

His drug empire started when the Burmese Government in 1963 established local militia units to combat rebels in eastern areas of the country. Mr Khun Sa was one of those authorized to form their own units.

Mr Khun Sa began with 300 men but soon built up an army of 1,000 from the profits of running opium into northern Thailand.

Remnants of Ching Kachak's army, which had fled from the victorious Communists in China, controlled 90 per cent of the traffic.

In 1967 the Chinese generals decided to destroy him when he bought up very large quantities of opium and began moving 18 tons towards the Laotian border.

However, the victor in this battle was General Ouanze Ratikone, the Laotian Commander-in-Chief, who entered the battle with fighter aircraft and a paratroop battalion. The general, who himself was a big drug operator, with five refineries of his own, captured the opium and put Mr Khun Sa's army and the Chinese to flight.

Two years later Burmese Government forces arrested him for drug trafficking. He was sent to prison for five years. But by 1977 he had revived his fortunes and was heading a new army, the Shan United Army, purportedly fighting for Shan independence from Rangoon.

## NZ PIQUE OVER TOUR CRITICISM

Wellington, June 29.—Mr Robert Muldoon, the New Zealand Prime Minister, said today that other countries had sporting links with South Africa but New Zealand was being singled out for condemnation.

He was responding to Commonwealth pressure on New Zealand to cancel next month's tour by South Africa's Springbok rugby team.

The Government has asked the New Zealand Rugby Football Union to reconsider its invitation; but refuses to deny the South Africans visas.

Mr Muldoon, just back from an 18-day tour of West Europe, said: "Other countries are continuing sports contacts with South Africa. I have yet to see the same condemnation of these occasions as the abuse that is being directed at New Zealand."

He said South Africans took part in an international surfing competition in Australia in May and the world Fireball dinghy racing championships in Britain last week.—Reuters.

## COMPENSATION TALKS OPEN

Britain and Mauritius opened talks in London yesterday on the compensation Britain is to pay to the 10,000 people who were resettled in Mauritius when the Chagos Islands became part of the British Indian Ocean Territory.

Britain has offered an additional £125m compensation but Mauritius is asking for £5m.

## South Africa withdraws banning orders against two apartheid opponents

From Ray Kennedy, Johannesburg, June 29

Five-year banning orders against two critics of apartheid were withdrawn today, more than a year before they were due to expire.

Mr Kobie Coetsee, Minister of Justice, announced that restrictions on the activities of Mr Peter Randall and the Rev Cedric Mayson, due to expire on October 31, 1982, were being withdrawn because cases were constantly reviewed "and adjustments are made in accordance with changing circumstances."

Reasons are not given for banning orders. There is no appeal against them.

Mr Randall was the publisher of *Raven Press*, which produced documents and booklets criticizing apartheid. He was also director of the Study Project on Society (Sprocas), which was sponsored by the Christian Institute of South Africa, also a banned organization. Sprocas publications were considered the most articulate documents on apartheid.

Mr Randall said today that it would take quite a lot of adjustment to get back to a normal way of life after four years of being banned.

"I think the worst thing about being banned was the effect on my family life. I was unable to take the kids away on holiday, even attend functions at their schools. There was also the uncertainty and insecurity about my job. I could possibly accept the action taken against me, but why should my family have suffered too?"

He was served with a banning order in October, 1977, when 18 black consciousness

organizations and a black newspaper, *The World*, were banned.

Mr Randall said he had been allowed to continue working as an administrator in the education faculty of the University of the Witwatersrand and was able to maintain some contact with the real world.

"I have been developing certain patterns of behaviour which I am going to find difficult to change. Obviously, I am going to have to watch what I say, but the withdrawal of the restrictions does nothing to remove my abhorrence of the system of bannings and detentions."

Mr Mayson, former editor of the *Christian Institute* magazine, was unavailable for comment. His banning order forbade him to publish, write

or print any material or address any gathering.

His wife said at the time that, at the age of 50, her husband had to find some other means of supporting himself and his family, "because preaching and writing are the only things he knows."

It was also announced today that 10 University of the Witwatersrand students, all blacks, who were detained by security police on Friday, had been released. Police said there had been no further detentions.

One of those freed, Mr Galeb Cachalia, acting president of the university's Black Students' Society, said he was questioned about the burning of the South African flag on the university campus during recent demonstrations.

## 'Hired sniper' accused

From Our Correspondent, Johannesburg, June 29

A former officer in South Africa's Parachute Battalion went on trial today accused of 14 charges of murder. Johann Verster, aged 28, was alleged in the Natal Supreme Court in Pietermaritzburg, to have been hired as a mercenary by a Zulu clan, the Sitholes, which has been at war for decades with the rival Zwane clan.

Mr Verster, who is on bail, has pleaded not guilty to all charges including participation in terrorist activities, fraud, contravention of the Defence Act, faction fighting, illegal possession of arms and ammunition, conspiracy to commit

murder and conspiracy to deal in weapons without a licence.

It is alleged that while he was serving as a lieutenant in the Parachute Battalion he was hired by the Sithole clan as a sniper and that in June 1979, from a safe vantage point in the remote Masinga area of Zululand he opened fire and killed 14 men of the Zwane clan.

Inter-tribal fighting, known as faction fighting, between rival Zulu clans has been going on in the Masinga area for more than half a century but has increased in the last few years. Land boundary disputes are the main cause.

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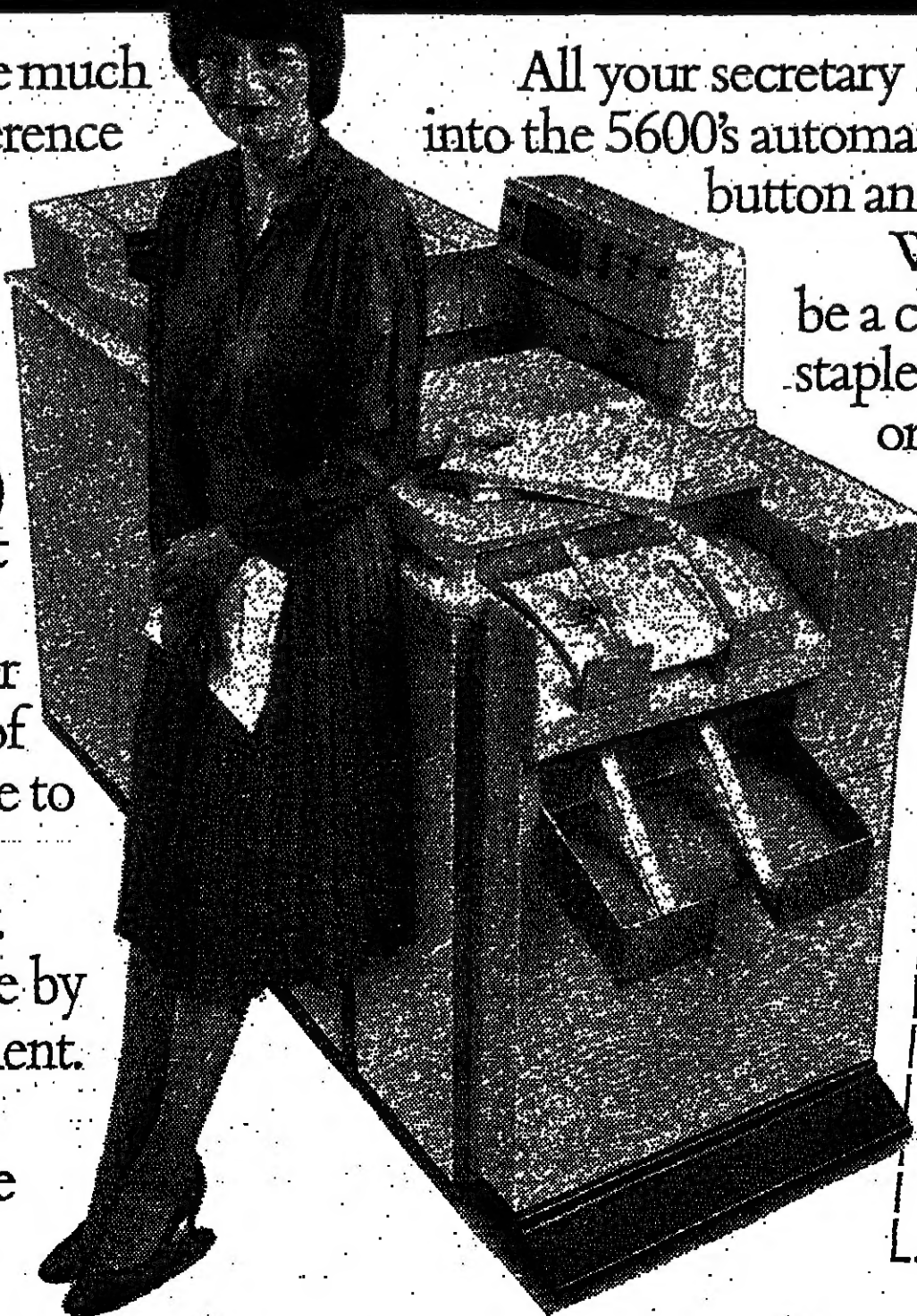
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# Reagan pledges better life for blacks

From Nicholas Ashford, Denver, Colorado, June 29

President Reagan today told American blacks they would be better off on his economic recovery programme, begins to take effect than by a continuation of a large number of costly but ineffectual welfare programmes.

Addressing the annual convention of the National Association for the Advancement of Coloured People here, the President said that his economic package would help to achieve black economic freedom because it was aimed at lifting an entire country and not just parts of it.

The package involved huge cuts in government spending, aimed largely at welfare and

social programmes, and a three-year 25 per cent reduction in tax.

"A strong economy returns the greatest good to the black population," he said. "It returns a benefit greater than that provided by specific federal programmes." He added that his economic recovery package would reduce inflation, create three million new jobs by 1985 and assist small businesses.

It was President Reagan's first public address to American blacks since his inauguration, and the tone of his speech was both sombre and cajoling.

President Reagan sought to persuade his audience that the series of reforms introduced by Presidents Kennedy, Johnson and Carter had not really succeeded in materially improving the lot of blacks, and that they should therefore look sympathetically at the economic programme which he is now proposing.

The association, founded in 1909, is the largest and most influential civil rights organization in the country. In an interview before today's convention started Mr Benjamin Hooks, its executive director, made it clear that blacks were opposed to President Reagan's policies, particularly his planned cuts in the food stamp programme, job

training and other social projects.

It was clear from the audience's reaction that the President had not succeeded in winning many black converts to his cause. His remarks were greeted politely and with occasional scattered applause, but there was none of the enthusiastic support with which earlier speeches during the present tour had been met.

In an attempt to win the sympathy of the black audience, President Reagan pledged to continue the battle against race discrimination.

"My Administration will vigorously investigate and prosecute those who by violence or intimidation would attempt to deny Americans their constitutional rights," he said. "We will not retreat on the nation's commitment to equal treatment of all citizens."

According to the scenario sketched by President Reagan, blacks had become progressively worse off during the 1970s despite all the government programmes designed to uplift them. Unemployment, he said, had risen and the median family income of blacks had dropped.

Welfare programmes had created a new kind of bondage, he said, making needy people "government-dependent rather than independent."

## Congress budget vote will save \$145,000m

From Frank Vogl, Washington, June 29

The latest Congressional budget vote will save up to \$145,000m (£77,000m) in Federal Government public spending in the United States in the next three fiscal years.

The decisions will curtail current domestic, non-defence programmes, but they will also mean cuts in the 1982 fiscal year, which starts on October 1, will be \$35,600m less than planned.

Many of the changes will result in modest savings in public spending in the year ahead, but the most substantial savings will be in later years.

The Republicans in the House of Representatives forced changes in the Budget Bill drafted by the Democrats that range right across the board in social welfare and affect programmes as diverse as railway construction, energy and export credits.

The Republicans claimed that many of the changes proposed by the Democrats were meaningless. For example, the Democrats called for cuts in food stamp programmes, but they made no changes in benefits or eligibility requirements.

The Bill that the House approved sets a gross income threshold of 130 per cent of the poverty level, which is about \$14,000 for a family of four. The Republican change in the Bill will produce \$1,900m of budget savings in the coming fiscal year.

The Democrats wanted to delay reductions in social security payments to students until December, 1982. The Republicans have forced changes now that eliminate all social security payments to students after June, 1982, with reductions in payments to present students by 25 per cent.

The Budget Bill that has now passed will secure savings

from students of \$567m in the coming fiscal year, \$1,580m in 1983 and \$2,033m in 1984.

The Bill drafted by the Democrats envisaged \$833m of savings on school lunch programmes, but the Bill that has now passed has tightened eligibility requirements to save \$1,364m.

The Democrats had no plans to change the current system where retired civil servants and military personnel receive pension increases twice a year linked to cost of living increases.

The Republicans have changed the system, providing for only one pension adjustment a year and so cancelling the increase planned for this September, and making the next increase in March, 1982. The change will mean savings of \$907m.

Further, the new Budget Bill produces more savings from government workers by limiting their pay increases to 4.3 per cent in 1983 and 4.8 per cent in 1984.

In justifying this move the Republicans said pay restraint was necessary to demonstrate that the Government was acting in good faith to keep its own house in order by curbing excessive inflationary pay increases.

The Senate has passed a slightly different Budget Bill and now leaders of both houses of the Congress must confer to draft a common Bill. The conference should not be completed before the end of the month.

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## American and Pole accused of spying

From Ivor Davis, Los Angeles, June 29

In the rich Los Angeles beachside community of La Playa del Rey Mr William Bell, a radar engineer, and Mr Marian Zacharski, a Polish businessman, were good neighbours. They played tennis together every week and their families frequently swam together; but yesterday, the Federal Bureau of Investigation (FBI) accused Mr Bell of selling military and radar secrets to his neighbour who is believed to be a Polish intelligence officer.

In the afternoon the FBI moved into the fashionable block of condominiums and arrested Mr Bell, aged 61, who works for the Hughes Aircraft Company and his neighbour and charged them with conspiring early in 1980 to pass information about space radar secrets to Poland and other Warsaw Pact countries, including the Soviet Union.

Mr Richard Mellitt, the FBI special agent in charge of foreign counter-intelligence investigations, alleged that Mr Zacharski had paid more than \$110,000 (£55,000) for documents that may have included secret information about the space shuttle as well as military data.

The two men, their wives and children live in condominiums that cost at least \$150,000. The relationship between the two men who live in adjacent buildings goes back to 1978. The FBI said the two began to operate to others inside and outside the United States.

Mr Zacharski has been in the United States since 1977 as a commercial representative of a company which is wholly owned by the Polish Government, Mr Mellitt said.

The firm, a Polish-American machinery company, has offices in Santa Fe Springs, in southern California and Elk Grove Village in Illinois and sells manufacturing equipment in the United States.

The FBI said Mr Zacharski is in the United States on a commercial visa and does not have diplomatic immunity so that he can be prosecuted. "Almost as soon as he arrived the FBI said he was suspected of being a spy and has been under surveillance for five years."

Both men will be arraigned in federal court later today on charges of gathering or delivering defence information to a foreign country. If convicted they could be sentenced to life imprisonment.

Both men were arrested without a struggle in their homes. Mr Bell, who has been with Hughes Aircraft for almost 30 years, was dismissed on June 23, a Hughes official said. He added that the company was told of the suspected leakage of secret documents some time ago and had cooperated fully

with the investigation.

Mr Zacharski, a former worker in a big Warsaw tractor plant, withdrew his candidature after factory militants disowned him. Mr Gabrys, a former coal miner, was rejected by the Polish leadership.

Mr Gabrys was also associated with the Katowice Forum, a hard line group praised in Moscow but with little apparent support at home, that sharply criticized the Polish leadership.

Mr Gabrys said later he had not been fully aware of the forum's

views and publicly dissociated himself from the group.

Mr Jerzy Waszczyk, a candidate member of the Politburo and Central Committee secretary, failed to get elected in Katowice.

Other candidates, Mr Stanislaw Kanis, the First Secretary, Mr Kania, reacting to a stiff warning from Moscow that the situation in the country was getting out of hand, had called on party activists everywhere to return the present leadership intact so that it could be judged at the congress, starting on July 14.

Three weeks of elections which ended yesterday produced almost 2,000 delegates to the congress, during which the party Central Committee will elect a new Politburo.

## Narrow Peres victory predicted by poll

From Christopher Walker, Jerusalem, June 29

As the most violent and divisive election campaign in Israel's history drew to a close tonight the latest opinion poll predicted a further significant political victory for the opposition Labour Party led by Mr Shimon Peres.

According to the poll published in the independent Hebrew newspaper *Haaretz*, Labour is now narrowly ahead of Mr Menachem Begin's right-wing Likud coalition by 43 seats to 40. This compares with a similar poll last week, which gave Likud 45 seats in the 120-seat Knesset and Labour only 40.

The last-minute swing back to Labour appears to have resulted from three main factors: a public reaction against right-wing election violence, the forceful performance of Mr Begin in a last-minute televised debate with Mr Begin, and the surprise appointment of Mr Yitzhak Rabin, the former Prime Minister, as Labour's shadow defence minister.

The revival in Labour's fortunes is also a reflection of the volatility of the Israeli electorate. Many voters are known to be unhappy with the choice being offered by the two main parties but are also reluctant to waste their vote on one of the smaller parties. Today's poll showed 13 per cent still undecided.

Although Labour's recovery has been reflected by two leading opinion polls over the past 48 hours, it is not sufficient to guarantee a victory in the vote-taking place tomorrow.

Most observers expect a close finish, with one senior Cabinet minister now predicting that a second election may be necessary.

Altogether nearly 2.5 million Israelis are entitled to vote in what will be the country's tenth general election, but about 100,000 of these are out of the country on business or holiday.

The first results are expected by midnight tomorrow, but it will not be until the afternoon that the results will be known with any accuracy. The total of seats, it may take weeks of tough bargaining to determine who will lead Israel's next coalition Government.

Under the Israeli system of proportional representation, the country is treated as a single constituency and the 31 competing parties each put up a strictly numbered list of

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The only casualties in the 11-man Politburo were Mr Gerhard Wronski, both appointed last April in a fanfare of publicity as representatives of the workers.

However Mr Wronski, a former worker in a big Warsaw tractor plant, withdrew his candidature after factory militants disowned him. Mr Gabrys, a former coal miner, was rejected by the Polish leadership.

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views and publicly dissociated himself from the group.



Rescue workers digging out the body of a victim of the bomb blast in Tehran on Sunday night.

## Iranians told to annihilate US agents and Israelis

Ankara, June 29.—The Islamic Republican Party (IRP), whose headquarters were bombed in Tehran yesterday, today exhorted Iranians to annihilate the representatives of the United States and Israel in Iran.

In a Tehran radio broadcast, the IRP, Iran's most powerful political organization, said the "tragic martyrdom of dozens of the best sons of Islam and Iran" was a new chapter in the history of struggles in the Islamic nation against the "criminal America".

Last night's bombing, the IRP statement said, exposed the hostility of "counter-revolutionary mini-groups" to the Iranian people.

"While warning America, we declare that the more severe its plots become, the more organized the revolutionary Iranian people will become... America and Israel must realize that they cannot terrorize the Iranian revolution by assassinating its leaders," the statement said.

"For you, revolutionary people, have already identified yours and God's friends and enemies and have already declared, within the framework of this revolutionary recognition, your war on the side of the oppressed people. Forward to annihilate Zionism and America's internal agents."—UPI.

Belgrade: Ayatollah Khomeini told Tanjug, the Yugoslav news agency, that there were to be no reprisals against prisoners over the explosion. "This event must have nothing to do with the treatment of prisoners," he said. "More than 80 people have been executed after recent demonstrations."—Reuter.

Martyrs avenged: Responsibility for the bomb attack was claimed by the Iranian "Party of National Equality". In a telephone call to a news agency in Ankara, the anonymous caller, also claimed responsibility for last week's bomb attack in which Hojatoleslam

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## IN BRIEF

### Brandt tries to sway Kremlin

Moscow.—Herr Willy Brandt, the former West German Chancellor, who pioneered better relations with the communist east a decade ago, arrived in Moscow yesterday as a personal guest of President Leonid Brezhnev. Their talks are expected to focus on fresh East-West arms talks, Poland and North-South development aid issues.

In a radio interview yesterday, Herr Brandt said he would seek to persuade the Kremlin that the Reagan Administration was serious about wanting to negotiate on curbing medium range nuclear arms in Europe.

### Titanic search

Woods Hole, Massachusetts.—The research vessel *Cyprus* is at sea on its second mission to try to locate the liner *Titanic* and £150m worth of diamonds believed to be on board.

### Salvador battle

San Salvador.—At least 10 people were killed in a battle between government forces and insurgents in the Salvadoran port of La Unión as the weekend military sources said. About 22,000 people are estimated to have died in the violence in El Salvador since the beginning of last year.

### Rough justice

Jakarta.—The Governor of East Java has ordered that all gold courses on plantations in the province be ripped up and planted with crops.

### Bomb kills children

Manila.—Three girls and four boys, aged between six and 12, were killed when a grenade they were playing with exploded in Cebu City, central Philippines.

### Victim to get £2m

Miss Stella Stachnik, aged 30 from Kitchener, Ontario, was awarded £300,000 damages by the High Court in London for severe head injuries sustained in a car crash nearly eight years ago. The money is to be invested to give her £2m over 50 years.

### Gunman kills seven

Trilaka.—A young Greek man grabbed a repeating rifle and shot dead both his parents, his grandparents, an aunt and uncle and a neighbour who tried to intervene. He then committed suicide.

### Machete attack

Maputo.—President Samora Machel of Mozambique said yesterday that South Africa was training mercenaries to sabotage the country's economy and condemned the West's military buildup in the Indian Ocean "as a direct threat to all of black Africa".

### Nude protest

Nuremberg.—An "international squatters' festival" has broken up after offended passers-by grappled with young demonstrators who romped naked in the festival grounds and hurled insults at them.

### Eye for an eye

Beirut.—Abdul-Hag al-Jouhad, a young Palestinian, was shot by firing squad in Lebanon after a Palestinian military court found him guilty of collaborating with Israel. Palestinian sources said. He was accused of killing a Palestinian guerrilla.

### Nuclear warning

Pennsylvania.—The incoming chairman of the Nuclear Regulatory Commission, the United States was "kidding itself" if it thought a nuclear reactor accident like the one at Three Mile Island would not occur again.

### Disco deaths

New York.—Two men died and six were wounded by gun fire at a discotheque. Police arrested one of the wounded men and said he would be charged with murder.

### Easy as blinking

Berlin.—East Germany has developed security glasses for train drivers. The spectacles have an electronic device emitting a beam that is regularly broken by blinking. If a train driver falls asleep and stops blinking, the train automatically halts.

### Hotel hold-up

Mons, Belgium.—Four men have held up a small hotel near the Belgian military headquarters near here and left with about £12,500.

### Miss Bhutto moved

Karachi.—Miss Benazir Bhutto, daughter of Zulfikar Ali Bhutto, the executed former Prime Minister of Pakistan, was moved yesterday from Sukkur Jail to Karachi central jail where her mother Begum Nurat Bhutto, is under detention. Mother and daughter had not been allowed to meet, prison sources said.



## Man with bomb arrested in Vatican

Rome, June 29.—Security guards today arrested a man as he lit the fuse of a home-made bomb in St Peter's Basilica just before Cardinal Agostino Casaroli, Secretary of State at the Vatican, was due to celebrate Mass. The guards put out the flame coming from a metal tube packed with explosive and lead pellets, then police took the man away (above). He carried no identity papers, but told police he was Giuseppe Santangelo, aged 54, born at Salerno, south of Naples. Police said they were questioning him at a police station near the Vatican pending a check on his identity. The incident happened at 9.45 am. The man was said to be standing near a statue in the central nave when guards saw him set fire to his

bomb, which was wrapped in a newspaper. Police are now examining the bomb. They said the tube was sealed at both ends and packed with powder used in mines and quarry work and a fuse was attached. The man was arrested only a few minutes before Cardinal Casaroli was due to celebrate with 180 priests from many countries a special Mass honouring the feast of St Peter and St Paul. The Cardinal was not in the Basilica. After the man was taken out of the building, the Mass began on time before a congregation of 20,000. Police said that under interrogation the man told them that he had been unemployed for a long time after working for years as a merchant seaman. UPI and AP.

## ADMIRAL IS HELD ON SPY CHARGE

From Our Own Correspondent, Rome, June 29

The arrest of Rear Admiral Vittorio Fregene, aged 50, on charges of espionage was confirmed today. He was arrested on Saturday night. Secret documents were said to have been found at his home although they were of a grading that meant they should not have left his office.

The admiral formerly directed the Centre for Military Use of Nuclear Energy at Pisa. He had been suspended after his name was found in the P2 freemasons' lists.

## Tote strike is best bet for French punters

From Charles Hargrove, Paris, June 29

Eight million Frenchmen had to do without the "Tiercé" their favourite Sunday pastime yesterday because the 270 employees of the French railway of the Tote had gone on strike over pay and conditions.

The Tiercé involves guessing the order of arrival at the winning post of the first three horses. It is enormously popular, and has made the fortune of a few, and the unhappiness of many through broken homes. It is comparable for some gamblers to drug addiction.

The celebrated Prix de Paris, at Longchamps, and 14 other fixtures had to be cancelled. The Tiercé is very profitable

to the racing societies and to the state. The loss to the public treasury yesterday was 30m francs (£2.7m) and to the racing societies 8m francs in bets.

It was the third time since the upheaval of May, 1958 that the Tiercé fixtures had not taken place, and the event is described by today's newspapers as a calamity of the first magnitude.

The evening races due to take place today at Autouci and Vincennes were also cancelled because no settlement could be reached between the Société d'Encouragement, responsible for several racescourses in the Paris region, and the employees

of the Paris Mutuel Hippique, who on Saturday at Longchamps refused to take bets.

They did not demand any increase in wages but claimed that a collective agreement reached in 1951 had not been respected and that an official appointed two years ago to reorganize the Tote had gradually eroded their privileges.

One of the most resented innovations is that employees are held responsible for any shortfall in the takings.

Other provisions of the 1951 agreement which they claim are being undermined concern days off, holidays and sick leave. Neither the racing societies

nor the trainers and owners can afford to allow the conflict to go on very long. The state also stands to lose a great deal through a prolonged conflict, and the Ministry of Agriculture is trying to bring the two sides together to achieve a rapid conclusion. The only ones who do not stand to lose anything are the gamblers.

One of them sitting at the table of the café where he makes out his betting card every Sunday remarked philosophically: "For once I've won I lose every Sunday and what I lose every Sunday."

French racing, page 11



## Britain presides over crucial EEC rebuilding

From Michael Hornsby, Brussels, June 29

The Dutch will step aside from the presidency of the European Community tomorrow and for the next six months the duties, frustrations and challenges of the role will fall largely in the hands of Margaret Thatcher and her ministers.

Britain's turn last came round in the first half of 1977 and will not do so again until the second half of 1986 at the earliest. By then the EEC could be a very different place.

By an accident of alphabetical order, the British Government is being thrust into the chair of the Council of Ministers at an unusually critical juncture in the history of the Community. Its survival could depend on the quality of the decisions taken between now and the end of the year.

In 1977 Britain was then still widely viewed as a rogue elephant in the common agricultural policy and other objects of its hatred threatened to bring down the whole European edifice built up painstakingly by the original Six.

Today, if the foundations are still accepted as basically sound, few now dispute that the edifice itself needs restructuring.

There is broad acknowledgement of the legitimacy of British criticism, not only of the agricultural policy, but also of the general irrelevance of much of what the EEC is doing to solve the problem of its nearly 10 million unemployed and declining industrial competitiveness.

Britain's budgetary imbalance may have been the catalyst, but economic recession, the increasing pressure of agricultural expenditure on the EEC's limited resources, and the approach of Spanish and Portuguese membership have been at least as important in forcing the Community to embark on a fundamental reappraisal of its raison d'être.

Much of what the Commission would like the EEC to do in the industrial and social field implies a degree of intervention and planning of investment at the community level which Mrs Thatcher at least has generally set her face against at home.

This suggests that a nice calculation will eventually have

to be made on when to trade concessions on the longer-term development of new EEC policies for Britain's immediate budgetary and agricultural objectives.

At all events, there is not likely to be a final answer during the British presidency, which will be foreshortened by the August recess. That means the debate will not begin in earnest on the Commission's proposals before late September.

Mrs Thatcher and Lord Carrington, the Foreign Secretary, must hope, however, that significant decisions, which will determine the subsequent course of the negotiations, can be taken at the EEC's winter summit meeting in London. As president, Britain will to some extent be able to determine the priorities and focus of the discussions.

But the umpiring and mediating duties of the presidency also impose restraints on the uninhibited defence of a national point of view, particularly where the conflict with the interests of most other member states.

Britain will be in a more comfortable position in pursuing two other national objectives to which Lord Carrington attaches importance: opening up the insurance market and controlling air fares.

There is a good chance of progress on the first, which could immediately generate an extra £50m to £60m in business for British insurance firms.

Very much a personal venture of Lord Carrington will be the further development of a common EEC position on foreign policy issues.

The Middle East, where the EEC is seeking to persuade the Americans to take more account of the Palestinian issue, and plans for an international conference on Afghanistan are likely to dominate discussions.

Lord Carrington is aware that expectations have been raised on the Arab side in the Middle East which the EEC may now be unable to satisfy.

The approach is therefore likely to be low-key, with the emphasis on the improvement of consultation procedures between member states rather than the development of dramatic new initiatives.

## Karpov sees politics in chess move

From Michael Birnson, Moscow, June 29

Anatoly Karpov, the Soviet world chess champion, has sharply attacked Mr Fridrik Olafsson, the president of the International Chess Federation, for postponing his championship final against Viktor Korchnoi, the challenger.

In an interview carried by Tass, Karpov, an honoured figure in the Soviet Union, said that Mr Olafsson had arbitrarily put off the match an extra month beyond the agreed date of September 19. He accused him of doing this for political reasons that had nothing to do with chess.

Mr Olafsson said he had been trying to ensure equal conditions for the two players by demanding that Moscow first allow Korchnoi's family to leave the Soviet Union. The former Soviet chess star, who was defeated in 1976, and last year his son was sent to a Soviet labour camp for evading military call-up.

In the interview Karpov accused Korchnoi of abandoning his family. He added: "I do not want to wash Mr Korchnoi's dirty linen in public and judge his morals, to be precise, immoral character. But what has it all to do with the world championship match?"

He said the extra month's postponement had upset his training schedule. But he had received no reply to his protest.

Karpov beat Korchnoi by one point in their last world championship meeting in the Philippines in 1978.

A battle of wits between Norway's two main parties is now under way to woo voters for the elections two months away.

Foremost in the campaign is Dr Gro Harlem Brundtland, the country's first woman Prime Minister and leader of the Labour Party. After five months in office she has brought a sense of purpose, so lacking under the former leadership, to transform her party's position in the polls. Her firm hand has gone for to restore unity to the party which at the end of last year appeared resigned to accept defeat in these elections. She has also inspired her followers to feel no remorse in attacking the policies of the Right.

Whether it is still the novelty of her appointment, or the impact of her charming, but "powder-keg" temperament, as her critics call it, is difficult to judge.

What is clear is that Norway's long pattern of consensus government—where Labour has ruled for 25 years in broad agreement with its left, and the far right—has, for the time being, been given an abrupt shake-up.

The tone of the campaign was set a few weeks ago by what was to be an isolated television duel—now a common event—between herself and Mr Kaare Willoch, Conservative leader and shadow prime minister of a non-socialist coalition.

At the nub of their arguments was growing criticism by the right of state interference countered by Labour pressure for further benefits, extension

of leisure time and social reforms.

A six-hour day, lower pension age, more nurseries, a fixed, five-week holiday and plans for industry to accept 50 per cent workers' representation are but part of the Labour Government's programme. To the fury of the Conservatives the Government proposes to withdraw its subsidies to industrial firms unless half their employees are women. Further, the party congress in March, voted for an extension of Norway's treaty with NATO to include a Nordic nuclear-free zone to extend beyond peacetime to emergency or war.

With much vigour, Mr Willoch has argued that the country, despite its oil riches, cannot afford such reforms. Instead, he offers lower tax on industry, reducing bureaucracy and regulations, and cuts in income tax. As Norway has one of the highest marginal rates in the world—well over 50 per cent—this is an area of vote-fuelling the opposition is exploiting.

If Dr Brundtland has succeeded in unifying the party behind her, she has also avoided making rash election promises. Her challengers have therefore found it difficult to pin her down.

It was during her hectic schedule that I met her in the disarmingly quiet government offices in Oslo.

"I was a radical when I was 16 and am today," she said. "I define radicalism as the deliberate will to change society. You look at the facts, and then use political methods to improve the quality of life for all. I am not a dreamer, but an optimist."

## Norwegian elections

## First Lady battles to woo the voters

From Margareta Pagano, Oslo, June 29



Dr Gro Brundtland: "Powder keg" temperament.

She has already shown that this pragmatic approach works. Undoubtedly, it was her politics of hope which swept her into office in February.

After training as a doctor in Oslo, and taking a degree in Public Health at Harvard, she became, at 29, a deputy director in the national health service. She was a dominant campaigner for the free, but politically controversial, abortion service, and compulsory cancer screening.

"These are examples I can give of simple but effective remedies for services which were either not provided or not used because of lack of information."

An obvious question is how she can equate socialist beliefs with her marriage to a man of conservative convictions? She conceded that they shared

similar views on many issues, but like the two parties, differed greatly on the scope of collective responsibility and the individual. "These are the real differences".

Her husband, however, had no intention of going into politics. The existing difficulties of bringing up four children would multiply with two politicians in the household.

For the campaign she is relying on the integrity of the voters. "It is up to the public," she said, "to understand the double standards of morals that Mr Willoch is putting forward".

Work for all is one of her strongest desires. "If there is anything I can achieve, it would be to control the economy to give full employment". But she agreed that one of the main reasons for Labour's dwindling support over the last few years has been criticism of its economic policy and the accelerating inflation rate.

At 42 she is the youngest woman head of government in the world, and after only seven years experience in government office, her rise has been swift for someone with no early political ambitions. Her credentials had been that her father was a defence minister in a former Labour government and that from a young age she has been involved with the socialist movement.

Does she not think she has proved that there are few barriers in Norwegian life to women? No, most definitely not. There are still many areas of prejudice where the necessary reforms prove far too radical for the opposition, she answered.

## Words of wisdom from oldest Japanese

Tokyo, June 29.—Mr Shigechiyo Izumi, Japan's oldest citizen, marked his 116th birthday today with a glass of rice wine and a few words of wisdom for younger people: "Don't worry and don't overdo things."

Mr Izumi, who was born on June 29, 1865, is listed in the Guinness Book of Records as the world's oldest living human. His home on the subarctic island of Tokunoshima, southern Japan, has become a "must" for tourists, mostly newlyweds. Relatives say he receives up to 200 visitors a day, whom he charges 1,000 yen (about £2.50) in return for a glass of shochu, a fiery type of rice wine, and a photocopy print of his palm.

He's very fit. Summer is really the best time of year for him. Mrs Masako Masuoka, his grand-niece, aged 57, said in a telephone interview. The people of the nearby town of Isen honoured Mr Izumi with folk songs and dances at an elementary school.

Mr Izumi professes a simple outlook on life, and was quoted by Mrs Masuoka, as saying: "Live an ordinary life and don't go to extremes."

A former sugar cane farmer and a life-long bachelor, he begins his days with a stroll, naps regularly and drinks shochu with dinner.

Although his doctor recently gave him a clean bill of health, Mrs Masuoka said he had to give up another favourite habit—cigarettes—after suffering a slight cold earlier this year. Until then, Mr Izumi had been a one-pack-a-week man.—AP.

## Dispute in Greek ruling party ends

From Mario Modiano, Athens, June 29

Mr Evangelos Averoff, the Greek Minister of Defence, was sworn in today as Deputy Prime Minister in a move calculated to bolster the unity of the ruling New Democracy Party in an election year.

Party unity had been in doubt ever since Mr Averoff was narrowly defeated by Mr George Rallis in May 1980, in the contest for the party and government leadership, in succession to Mr Constantine Karamanlis when he was elected President.

Mr Averoff felt very bitter and had then declined an offer to become Deputy Prime Minister in the Rallis Government. There had been suggestions that he might break away and take with him the conservative wing of this centre-right party or that he might stay out of the next elections.

However, during the New Democracy congress which approved the party's platform for the autumn elections yesterday Mr Averoff said no personal bitterness could override the national interest.

He would fight, he said, under the leadership of Mr Rallis to avert a Socialist victory which would be a disaster for the country.

## SRI LANKA PARTY HEAD REBUFFED

From Our Correspondent, Colombo, June 29

Months of feuding in the Sri Lanka opposition Freedom Party reached a climax last night when a committee discussing a new party constitution rejected proposals submitted by Mrs Sirimavo Bandaranaike, the party leader.

She was supported by radicals led by her daughter Chandrika and Mr Vijaya Kumaranatunge, her son-in-law.

After the moderates, led by her son, Mr Anura Bandaranaike and Mr Maithripala Senanayake, the deputy leader of the party, had won the day, Mrs Bandaranaike said: "I have lost everything and now I am losing my son."

Mr Bandaranaike said: "You will not lose this son—you may lose your sons-in-law."

Mr Senanayake said no one was aspiring to take Mrs Bandaranaike's place as party president. "It is not we who have lost confidence in you. It is you who has no confidence in us."

Riot squads and police patrols stood by as the meeting went on. The proposed constitution gives party organisations greater say in policy and the choice of candidates, which were hitherto almost the preserve of Mrs Bandaranaike.

## Tokyo police try to curb gangster shareholders

From Peter Hazelhurst, Tokyo, June 29

Hundreds of leading Japanese business firms have asked the Tokyo police to arrest troublesome shareholders who are expected to use violence, heckle company executives or disrupt the proceedings when 440 companies hold their biannual stockholders' meetings this week.

More than 1,400 police will be mobilized in Tokyo this week to protect business leaders from the *sokaikyū*, groups of gangsters who purchase a nominal number of shares in leading companies every year and then demand substantial fees either to control or disrupt shareholders' meetings.

For a large fee from the management, the *sokaikyū* (literally translated as "stock meeting manipulators") will control meetings from the floor by hounding down questions from genuine and persistent shareholders. Among the services ordered, the *sokaikyū* will surround a director's platform at meetings shouting: "Igi nashi, shi nashi" ("No objection") as terms of business are put to the floor. In many cases, shareholders' meetings are completed in five to 10 minutes.

Alternatively, if company executives refuse to hire the *sokaikyū* to control stockholders' meetings, scores of hecklers, armed with embarrassing questions, will disrupt the proceedings. The latest survey claims that

not a single question was asked at 90 per cent of the shareholders' meetings of all important companies listed on the Tokyo stock market last year.

According to a survey by the Japanese police, 1,700 firms listed on the Tokyo, Osaka and Nagoya Stock Markets paid out £250m in fees to 5,500 *sokaikyū* in 1979.

But a police spokesman told me today that a large number of business firms appear to have broken their contracts with the *sokaikyū* this year. "More than 220 of the 440 companies which plan to hold their biannual meetings this week have asked for police protection from the *sokaikyū*."

The *sokaikyū* are shareholders and by law cannot be excluded from meetings, a spokesman for the Federation of Economic Organizations said. But police officers will be in most conference halls this week to prevent the *sokaikyū* from resorting to violence.

"We believe many companies will break off their contracts with the *sokaikyū* in future because Parliament is about to enact a new law which prohibits a firm from financing any organization to have its stockholders' meeting manipulated," the police spokesman said.

Japan's commercial laws will also be amended in October to make it more difficult for the *sokaikyū* to attend shareholders' meetings.

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# Germans to Admirals















# A distant universe of decorative luminaries

Consulat—Empire—  
Restoration: Art in  
Early XIX Century  
France

Wildenstein

Nineteenth Century  
French Drawings

Hazlitt, Gooden and  
Fox

Important XIX and  
XX Century  
Works of Art

Lefevre Gallery

Alfred Sisley  
1839-1899

David Carritt

Georges Braque and  
Henri Laurens

J.P.L. Fine Arts

Even if your interests in art are decidedly later than the Renaissance and baroque shows I was writing about last week, the present extraordinary Wunderkammer on display by the more conservative Bond Street and St James's galleries should have more than enough delights to offer you. Especially if you are particularly interested in French art, for, by a curious coincidence, you could get a very useful conspectus of its development between the Revolution and the First World War simply by taking in four or five current exhibitions, and putting them together in your mind's eye.

The historically minded should begin, of course, at Wildenstein, where until the end of July there is a show mounted with the cooperation of the Musée Marmottan, entitled *Consulat—Empire—Restoration*. The image it presents of French artists' preoccupations during those troubled times of switchback change is no less curious for being absolutely accurate. Naturally the physical scope of the exhibition excludes the glacial symbols of the Imperial will created by David, though we do encounter Napoleon glorified in a profile bas relief by David d'Angers and deified in Giro-

det's *Tête irradiée de Napoléon dans une couronne*. There are a few records of dramatic episodes in the Revolution, most notably two spirited scenes by Fragonard's son, Alexandre Evariste, *La Séance du feu de Poème* and *Bussy d'Anglais descendant de son cheval*. The *Député Ferrand*, both of them historical paintings in that they were done as late as 1830 as projects for the decoration of the Chambre des Députés.

Otherwise, what is surprising is the degree of endowment these artists manage to preserve from current events. No doubt it was the safest way, not to be too closely identified with any particular political interest, as well as the most popular with a picture-buying public eager for escapism. So what we have here is a lot of harmless and decorative allegorical paintings, the inevitable budget of scenes from classical myth and history, landscapes and portraits, a touch of picturesque orientalism (Verne's *Arabe écoutant un Musicien*), a bunch of inbred pictures of painters painting (two studio scenes, two portraits of painters), and a great many cosy domestic scenes such as were quite deliberately encouraged among the conformist Beidermeier painters of Metastich's Austria a generation later.

The result is agreeable and odd. . . . I think the word, 'two small worlds hung together', Jean-Baptiste-Jacques Anguier's *Deux jeunes hommes* and Jean-Baptiste Mallier's *Les derniers conseils*, give a fair idea of the tone of the whole. Augustin's mildly melancholy lady leaning gracefully against a neo-classical mantel, are a perfect embodiment of the dandy with soul; Mallier's mother or nurse giving last-minute advice to a naked young woman in a bed-chamber clearly designed for immediate consumption catches exactly the sort of discreet eroticism, faintly titillating rather than fully accepted in this society. It is a universe of minor luminaries, though happily early works show two major talents, Ingres and Delacroix, just coming over the horizon.

Delacroix figures also in the show one should go to get some idea of what happened next in French art. *Nineteenth Century French Drawings* at Hazlitt, Gooden and Fox, and *Forêt de Bury Street*, St James's, until July 10. Though the drawing is slight, a page of sketches of nude men, mostly struggling against the weight of their own limbs, is a pretty infernal circumlocution. It is certainly the most eye-catching work there. Other big names of mid-century art are also represented. Millet with a short of typical studies of peasants in the fields, Moreau with an able portrait drawing which has nothing typical about it at all.

But, as with the Wildenstein show, the greatest interest is in seeing how lesser mortals went about their work, reflecting changing tastes in portraiture, changing fashions in genre, so that when a sweetly sentimentalized vision of domestic life was required, Boilly was there to supply it with *La Paroisse*, where peasants were the vogue. Lhermitte could come on demand with *Intérieur de paysans*, and when perfume decadence was more the order of the day, George Bernini was ready with suitable images of languorous ladies in aesthetic interiors such as *Dans le boudoir*, and *L'Heure bleue*.

Often, such a succession of admirably minor figures tells us more about the tone of the time than the work of the great artists who create or transcend it. Nor must I forget to mention four excellent drawings by



Picture oriental: Verne's *Arabe écoutant un Musicien*

Harpignies, an odd figure who, perhaps because he lived to 97, defies sensible categorization: in particular the two-shaped watercolour *Peintres et promeneurs à la campagne* (actually a project for a lampshade dating from 1908) uses its unlikely form to wholly delightful effect. For the major figures in the major form one should hurry on to *Important XIX and XX Century Works of Art* at Lefevre in Bruton Street, until July 11. Incidentally, labelling one's stock 'important' is a vulgarism which seems to be spreading to dealers from the more frantic pronouncements of auctioneers whatever happened to good old British understatement? There are just 21 paintings, most of them French, or at least Ecole de Paris, and all of top quality. The Corot landscape, *Le Château de*

Falaise is exquisitely subdued, with just one tiny touch of red in the foreground to set off the predominant blues and greys; the Courbet, *Le Lac Léman*, is unexpectedly skilful in colouring for this rather sober painter. The show goes on to early Picasso, early Rouault, and even late discomfited. But the most vivid impression I came away with were of Cézanne's strong still life, *L'Assiette bleue*, and of two silvery-toned landscapes by more impressionist painters, Pissarro's slightly Millet-like *Le Semeur—Manoeuvre* and Sisley's wonderfully delicate, *Fleeting Un-Verger—pommiers en fleurs*, an 'impression' in paint if ever there was one.

Sisley, of course, is all the major impressionists the most taken for granted as one on the pack, and the least individually

defence and sympathy to the challenge. Sadly the audience for Piero Le Faro's hastily arranged short piano recital, was greatly outnumbered by the black keys on the piano. If his spirits were affected it was more apparent in the first half than the second, where in a performance of welcome clarity and ever-growing confidence the crystal textures of Ravel's *Miroirs* shone brightly. In 'oiseaux tristes', the second piece of the cycle, Mr Le Faro captured the sadness of spirit well and the sprawling 'Une barque sur l'océan' was given a coherent structural sense. 'Alborado del gracioso' the fourth piece, was radiant and vivacious.

Earlier, when Mr Le Faro had seemed more ill at ease, his right foot weighed rather heavily on the pedal in three pieces from Liszt's *Années de Pétersbourg*. Book 1, Suite, despite the apt sense of poetry in 'Les cloches de Genève', Debussy's 'One-dine', (from *Preludes*, Book 2) was restrained and clear; yet here, as in 'La terrasse des audiences du clair de lune', one sensed an underlying impatience, thoroughly Latin.

Stephen Pettitt

## London debuts

### Skilful use of modern music

A wise performer it is who spices her debut recital with first performance, as did the mezzo-soprano Christina Barry, accompanied by David Mason. Judith Bingham's *Clouded Windows*, a setting of Keats's *Stanzas*, was a gem. Flanked by two movements for piano alone, progressed from the simplicity of a single line to a sudden, grim climax at the end of the text, whence the dark, instinctive harmonies of the arabesque-like finale slowly dispersed the flood of energy. The same composer's *A Midsummer Night's Dream*, too, had an abrupt eruption of passion, the idyllic pastoral of Richard Adams's line here to shred by the sudden summer storm evoked in the ensuing medieval verses. Both Mr Mason and Miss Barry did the composer admirable service in their content projection of the music.

"Dopo notte" from Handel's opera *Ariodante* was perhaps too bold a start for the evening, not helped by a piano accompaniment which translated unconvincingly from the original. Haydn's cantata *Arianna a Naxos* lacked the delicate shadings and pointings of emotion which a less

overly dramatic approach might have yielded, yet the climax, nineteenth-century in scale though it was, was undeniably impressive. Awkwardly combining lustiness and humour, Strauss's *Mein alter hat gesagt* was a persuasively sung piece as it could have been. The same composer's "Waldesliege" showed that, although as yet a young voice, Miss Barry's instrument has a latent richness about it. The earliest and best of the Strauss selection "Zigeunung", was sung delightfully.

Poulenc's *Calligrammes*, with its vivid reflection of the colours of Apollinaire's picture-poems, and the piquant yet moving wit of the same composer's *Le Bestiaire*, revealed skilful empathy and charm in Miss Barry's singing. The evening's last piece, Satie's nonsense setting, *Ludions*, were equally well characterized. "La Grenouille Américaine" overtly parodying André San and the grinding "Chanson du Chat" particularly outstanding.

The fiendishly tricky postlude of Wolf's *Ich hab' in Peking* made the case for Mr Mason; but here, as everywhere else in the recital, he rose with

defence and sympathy to the challenge. Sadly the audience for Piero Le Faro's hastily arranged short piano recital, was greatly outnumbered by the black keys on the piano. If his spirits were affected it was more apparent in the first half than the second, where in a performance of welcome clarity and ever-growing confidence the crystal textures of Ravel's *Miroirs* shone brightly. In 'oiseaux tristes', the second piece of the cycle, Mr Le Faro captured the sadness of spirit well and the sprawling 'Une barque sur l'océan' was given a coherent structural sense. 'Alborado del gracioso' the fourth piece, was radiant and vivacious.

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## Dance

### The talent for craziness that makes entertaining sense

#### Tango

##### Casino, Geneva

Common sense will tell you that it would be absurd to base a two-act ballet entirely on the tango. Common sense, as often happens, is wrong. Either that, or Oscar Araiz has a talent for craziness that is more entertaining and much more skilful than other people's sense.

Araiz, like the tango, was born in Argentina. At 40, his career to date has been divided more or less equally between working there and in Europe or other parts of America. He first conceived *Tango* as a collaboration with the musician Astor Piazzolla about two years ago in Buenos Aires, and it would have been given as part of that city's quatercentenary celebrations but for the lack of a suitable hall.

When Araiz became director of the Geneva Ballet this season, his new chief at the Grand Théâtre, Hugues Gall, was enthusiastic about mounting *Tango* as part of an expansion of the company's repertoire to their home theatre. So the ballet had its premiere in the fine new auditorium of the Grand Casino, Geneva, and during the first two weeks of July it will tour to Florence, Reggio Emilia and Venice.

Carlos Curykowski, the ballet's designer (also from Buenos Aires), has transformed the spacious stage into a dance hall, not at all luxurious, but with

plain, functional coatrooms and bathtubs just inside the entrances on either side, and clever hanging lamps overhead, although the stage lighting is subtle and varied.

Tango is perhaps the first ballet in which all the cast wear high heels. The men's are on elastic-sided boots which, together with the moustaches and grey fedoras hats they all wear, give them a strongly macho appearance and bearing.

The women's costumes in the first half are of varied styles in beautiful colours, and the total look of this scene is a reminder that South America as well as its northern neighbour was full of frothy, festive, during the nineteenth century.

Stampona's own tango orchestra (string quartet, piano, bandoneon, guitar and percussion) has been brought specially to Europe to ensure the quality and authenticity of the music, which for part one is his arrangement of popular dances, including a couple of examples of the milonga, the predecessor of the tango.

Araiz treats each dance in a slightly different way, but with a common thread, so that each episode flows out of the one before and into the next. Like Jiri Kylian, he seems not to be interested in narrative ballets, but in pure dance works, but in the use of dance to express something about situation, character, or emotion in a completely non-literary way.

Thus the first dance, *Respon-*

mourning but (perhaps because the tango has enough life in it to waken the dead) ends as a marvellously stylish duet for Raquel Rossetti and Robert Thomas. In *La Casita de Vieja*, Tom Crocker is seen involved in an almost hysterical family dispute, but with the beginning of *Piquena* the father, mother and brother figures go off, leaving him to be

joined by Jackie Pineaux as a little girl with whom he dances blissfully.

Also among the dozen episodes of this first half are a fight between two customers of a brothel, a dance competition, a sequence of preening and cooing among half a dozen men, a love duet and a final dance in which the whole cast joins. There is even a strange

lamentation in which one of the women, gunnily severe, suggests a figure important in Araiz's own life, the dancing teacher who was responsible for the dark depths of emotion that are a hallmark of his choreography.

Part one is, in fact, itself a "milonga" or melange of elements which, in their final effect, convey something of the historical and social background from which the tango sprang. Yet the manner is never didactic, always entertaining, and the imagination is held by the quality and variety of the incidents. So much so that when the house lights go up for the interval, it comes as a surprise that more than an hour has passed.

The second part is shorter, only six sections, all of them composed by Stampona. This time, all the clothes are white, grey or black, and the choreographic manner is both more contemporary and more abstract. Again, however, there is a mixture of moods.

Superficially, part two of *Tango* is almost pure showbiz, a resemblance heightened by some of the costumes: the fact that the whole company, men and women, are dressed in similar mid-grey suits at least for part of the opening number, for instance, or the black tights flaunted beneath hip-length jackets by some of the women in a later episode, very much detract from the serious tone of the end of those long, long legs.

Francine Sananiga (left), Sergio Briceno, Corinne Marguet joined by Jackie Pineaux as a little girl with whom he dances blissfully.

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# Nostalgia? It's what we call a good childhood

There is a widely held belief that parenting, like the weather, is not what it was. The latest NSPCC report reveals the tip of an iceberg of cruelty and neglect and schools and social workers bewail the lot of latch-key children. More trivially, there is the problem of what to do at the seaside. This year, certain holiday resorts are organizing official activities and games for children because their parents do not want to bother — or, as councillors and youth workers say, "They would rather get the little blighters off their hands".

Reading that, I sigh and tut-tut — and instantly I am transported back to a childhood when summers were endless, when white-capped waves floated happy children on to the golden sands of the beautiful Lancashire coast, under a cloudless sky. There were soft sand-dunes fringed with spiky grass and wet sand near the water's edge that was perfect for building turreted masterpieces, before sitting down to munch lettuce sandwiches limp with salad cream. And the games! I can see my mother, lovely in her twenties, making rounder after rounder in improbable silver heels, my father and grandfather demonstrating french cricket, the beach balls, piggy-in-the-middle. We were always together, on the crazy golf course or in the penny arcades,

sharing the ordinariness of days out that were cheaper than holidays, driving back to Liverpool each night with the feeling of sand cool between your toes. Does it not, now, go on as it did? Has all the jollity of days at the seaside gone, together with the Ovaltines and cheap petrol, to be replaced by well-meaning local-authority intervention?

## Privilege

We see the past clearly, memories etched on strong light and delineated by love — if we are lucky. But it is easy to be deceived by such nostalgia. To look back and remember the good of what made us, but it can also be self-serving too. Time filters what was bad from the individual and collective memory, and it is a short step from saying it was better then, to asserting that we were better then. "It" might well have been better; on the other hand we could be paying 6d for the privilege of viewing ourselves in a very flattering distorting mirror.

That is not to say that NSPCC reports can be ignored, nor the anxiety of seaside officials who dread the antics of unhappy children who are themselves ignored. It is not to say that all is well, in the homes of Britain, let alone on the beaches. On Robin

Day's *Question Time* recently, an elderly woman made the point that football hooligans are the fault of their parents, and she was roundly applauded. Of course, in one sense she was right. Yet it seems to me that there is a danger that the very correctness of the moral point can lead to an over-simplification.

To nod wisely and (forgetting the fact that there have always been hooligans) say that parents are not what they were is a glorious evasion of complexity.

My quarrel with that sort of nostalgia is that it can result in indifference: the conviction that since people do not seem to behave "as they used to", there is little point in extending charity, let alone positive help. Though the circumstances and situations people find themselves in change — though Space Invaders may have taken the place of little penny slot-machines and television atrophied the eye — it does not follow that the people themselves are worse. The NSPCC report showed an inescapable correlation between financial anxiety and/or poor housing and the ill-treatment and neglect of children. Is it reasonable to suppose that to have no major money worries and a decent home would do a lot to help those parents be better parents? I think so. Who is to say that, transplanted to a golden age, those

indifferent holiday parents might not glitter too?

The point is that there never was a golden age, except in the dusty photograph album of the mind. In the interests of accuracy, I rifle through a pile of old seaside snaps, and what do I find? Me at Southport, digging in the sand in August, muffled in a gaberdine mac, hood fastened against the elements. Me sulking in Cheshire after a quarrel with my brother and grandmother. My mother asleep in a deckchair at Alnedale, and me, looking bored and miserable, at her feet.

## Surprise

Human nature, like the British summer weather, is predictable, though it always takes us by surprise. Just as memory obliterates the perennial rain, so it erases the recollection of family discontent, of boredom, quarrels and endless waits in the long, long queues for the ladies' grubby loos.

So the bubble of nostalgia bursts, leaving the child staring at the damp wet patch where it landed, leaving the adult aware that things were — in truth — as bad as they are now. On those idyllic northern beaches of my childhood, parents slapped their children and screamed at each other and wished — oh how they wished — that they could get the

little blighters off their hands. Behind, in the great hinterland, in the streets of Liverpool and Manchester and Warrington, the cruelty and the suffering and the pig-ignorant neglect went on, as it does now, though without the publicity that forms statistics. Also (perhaps) without the sickening clash between inbred expectation and bleak economic reality that just pushes people nearer the edge today.

Yet... what can we say about today? This summer, at some seaside towns, the organized games will go on in the rain, and when they are over, the kids will rush to demand more and more money from bored parents to buy whatever expensive trash is on offer. But going on alongside there will still be the self-mocking laughter in the halls of distorting mirrors. Fathers will patiently play Ludo in rain-swept chalets and mothers will take their daughters to buy little ornaments made from varnished shells or coloured sand.

Parents, determined to give their children a good time, will (although we never know it at the time) be watching the images of nostalgia form before their eyes. They will be creating a new golden age and looking after Gran — just as they always did.

Bel Mooney



The golden age: a trick of the memory or merely an image from an old picture?

## Ethnic survival: Fashion by Suzy Menkes



Left: Crinoline ball skirt in gold embroidered multi-coloured Indian silk over tulle petticoat. Gold-embroidered blouse. To order from Emanuel, 26a Brook Street, London W1. Cultural pearl gold base necklace and yellow sapphire, diamond and pearl bracelet from a selection at Jones, 52 Beauchamp Place, London SW3.

Hair by Elena at Ellis/Helen. Photograph by John Swannell.

Make-up by Teresa Fairmair at The Model Agency using Ultima II's Deauville colours by Revlon.

Below: Multi-coloured embroidered and appliquéd Indian cotton skirt, £55 from Ellis, New Bond Street and branches including Regatta, Manchester and Brighton, or from Fiorucci branches in

London and Manchester. White-cotton frilled blouse £21 from Fiorucci, New Bond Street and branches as above. Bottom left: Lurex striped Indian cotton jacket, £15.95, trousers, £15.50 from a selection of separates in hot pink, jade green, navy, blue, purple or turquoise, tasselled cord belt, £8.95, all by Rialt Ozbeik. Pure silk T-shirt, £22.50. All from Monsoon, 54 Beauchamp Place, London SW3 and branches at Salisbury, Oxford and Guildford.

Bottom centre: Arab work-shirt made in Swiss cotton, £38, matching jodhpurs, £28, from a range of separates in white, natural, black, terracotta, khaki and bronze. Arab headscarf sashed at hips. All from Arabesque, 12, Molcomb Street, London W11.

London W11. Ribbon and bead belt by Travelling Trunkies. Earrings by Adrien Mann. Multi-coloured ribbon sandals, £16.99 from Russell and Bromley, New Bond Street, and branches. Tribal patterned kaftan from a selection of hand-made rugs, from Caroline Bosley Brokerage Company, 13 Princess Road, London NW1.

Hair by Guy from Toni and Guy.

Photograph by Tony Bossey.

Bottom right: Indian saris, silk, cotton embroidered with sequins, in indigo blue, coal and skirt, £150, silk camisole, £18.50, all from Bazaar, 30 Heath Street, Hampstead, London NW3 and 11 Blenheim Crescent, London W11.

Illustrations by Susan McKinley.

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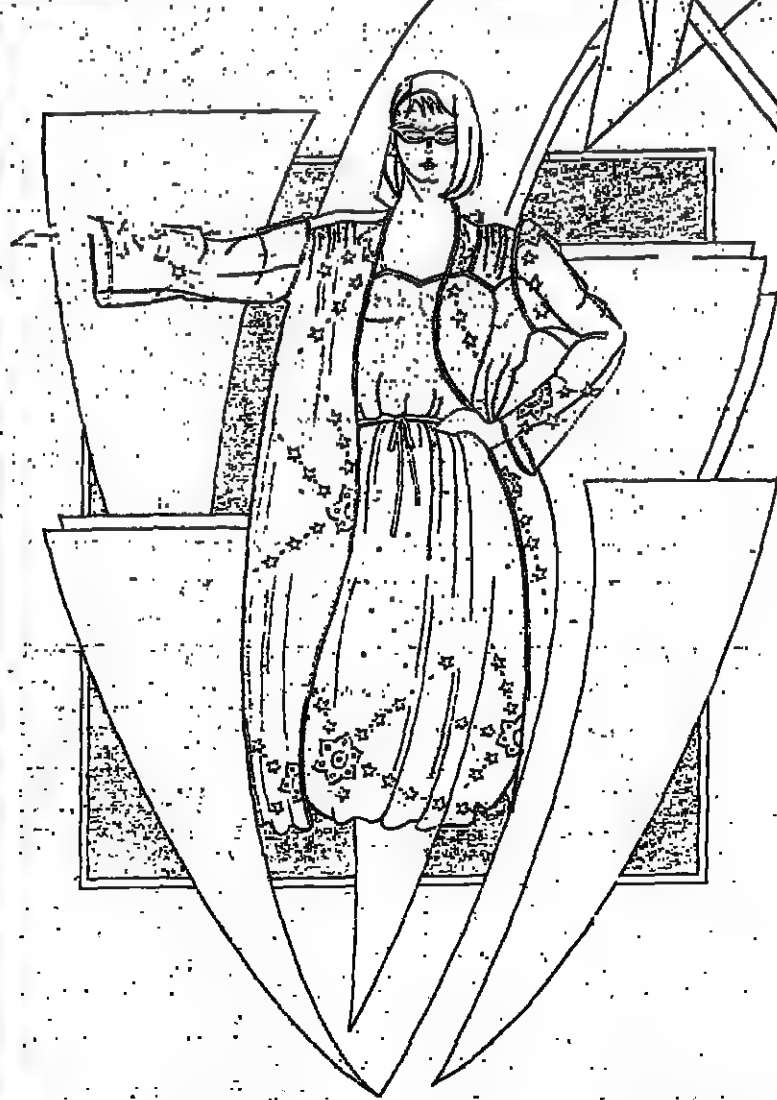
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Like some fresh, delicious and original dish served up from familiar ingredients, the ethnic look is back in style. The fascination with folklore, its rich patterns, its colourful embroideries and tribal totems has never been totally out of fashion since ethnic clothes rolled in on the hippie wave 15 years ago. They have coexisted with mainstream fashion as an appealing and wearable alternative.

Summer is always the high season for ethnic extravaganzas, for most of them come in cotton from countries of hot sun and strong colour. The original costumes, like Moroccan bridal caftans or Rumanian cross-stitched skirts, are now collectors' items and hard to find. They are certainly not cheap.

But hand-blocked prints, embroideries and folklore fabrics are still being

made. Now that they are designed and cut with style, they suit the most glamorous occasions, rather than wholefood picnics or soul music concerts.

The richest fabrics come from India. David and Elizabeth Emanuel brought back from Delhi a dazzling collage of Indian silks, then unpicked the silks to stitch them together into crinoline ball skirts. Indigo chiffon saris, spangled with sequins like a midsummer night sky, make elegant evening separates under the guiding hand of Betty Van Gelder, of Bazaar. She uses her contacts in India ("mostly nice, middle-class ladies who enjoy the idea of creating fashion") to bring ethnic chic to her two London shops.

Fashion shops involved in ethnic style have come a long way since they all

looked like Moroccan souks and smelt of unwashed Afghan sheep. Now most of the clothes are made in the latest shapes, like Bazaar's polyglot collection of Danish-designed Moroccan cotton or Monsoon's sleek Indian silks and cottons designed by Turkish-born Rifat Ozbek.

Karen Beecley, whose shop, Arabesque, started out with a cluster of collectors' items, now sells sophisticated styles in raw silk or woven cotton — culotte dresses, straight-backed jackets, safari shorts and jodhpurs that point up Lady Beecley's French origins. You can emphasize the ethnic by adding tribal necklaces in matt amber or knotted Arab headcloths at the hips, but the basic components are simple. Simplicity is the keynote to recycling any ethnic clothes you may have from



# Iran after the bomb: can a vengeful future be avoided?

The destruction on Sunday evening of the Islamic Republican Party headquarters in Tehran with the death of more than 60 people is the latest and most significant event in a continuing round of violence that characterizes the power struggle in Iran.

The day before, Hojatoleslam Khomeini, Ayatollah Khomeini's representative on the Supreme Defence Council, was injured by a bomb.

A bomb had also exploded in Qom, Khomeini's home town that same week. These events, taken together with the impeachment of Bani-Sadr and the subsequent wave of arrests and executions in the past week, indicate an intensification of the competition for power within Iran.

The bombing of the Islamic Republican Party headquarters and the death of Ayatollah Beheshti, the leader of the IRP and of the Supreme Court, suggests that the IRP is still very far from achieving its control over the levers of power.

The IRP remains a shadowy grouping encompassing a range of people, not necessarily all religious or even rightist. Given the nature of Iran's political culture, it is fair to assume

that at least some of the non-clerical element in the IRP represents forces other than religious fundamentalism. The Minister of State for Executive Affairs, Behzad Nabavi, the government spokesman and hostage negotiator, is one such example.

The IRP was never the popular mass-based party often depicted in the west and has achieved dominance through conspiracy, not election. By weakening its opponents, manipulating the electoral system, controlling the media and making use of the revolutionary guards and armed street gangs of the Hezbollahi (Party of God), the IRP has managed to achieve a position of dominance in Iran.

On the other hand, the marriage of Khomeini's unchallenged authority with the IRP's contested power does not go far to appear to have buttressed the IRP. Indeed it may have weakened Khomeini, who is now at least formally responsible for the IRP and linked to its fortunes. The decision to impeach President Bani-Sadr was a clear indication that the clerics could not tolerate criticism within the revolution. The clear implication was that those who continued to oppose the fundamentalists' view of the revolution would have to oppose it from

without. Those groups unhappy with the course of the revolution but unwilling to harm it by adding to its division or confronting it, were told in effect: support the fundamentalists or face liquidation.

The IRP has thus sought to narrow rather than broaden its base of support which has, in any case, been steadily shrinking since the elections some 15 months ago. While the IRP continues to enjoy command of the streets it is doubtful whether it could win a national mandate in favour of its (often archaic) programmes. Equally important, it cannot expect to harness the energies of the Iranian people in the constructive business of forging a new national consensus, let alone implementing it within a demoralized and disaffected administrative structure.

As an opposition party the IRP has been adept, first using the Shah and the United States as scapegoats, and later transferring this hostility to Bani-Sadr and Iraq. But as a governing party, the IRP would be asked to deliver more than slogans and denunciations.

In a restive, expectant and predominantly youthful society, demands for concrete and material achievement will have to be met. The IRP has neither the wit nor the inclination to meet these demands.



Survivors and victim—the three who took President Bani-Sadr's powers last week. From left, Prime Minister Ali Rajai, Ayatollah Beheshti, who was killed in Sunday night's blast, and the Speaker of the Majlis, Ayatollah Rafsanjani.

It is significant that the Iranian government has yet to name any particular grouping as responsible for Sunday's bombing. While this would serve as a pretext for launching reprisals, it would also constitute an admission of that group's power—and effectiveness, which it can ill afford to advertise.

So far the IRP member and Majlis Speaker Rafsanjani has referred in general terms to the "agents of the United States and Iraq"—in short the foreign devils who are periodically reintroduced to revive the flagging zeal of

the faithful. But if the IRP moves to "round up the usual suspects" who will it look for?

The opponents of the fundamentalists are numerous. In recent months Bani-Sadr was able to pick up much of this protest vote—in the army, in the bazaar and among the young—and to some extent to transform it into a more national opposition. The elements of which this opposition is comprised include the middle classes—the bazaar, civil service, technocrats, secular nationalists and liberals; the various ethnic groups, including the longer suffer-

ing Kurds, the Baluchi, the Azeri-Turkish-speakers, the Turkomans, and the tribes such as the Bakhtiari and Qashgari.

In addition there is the Islamic Marxist grouping of the Mujahiddin which is popular among the educated young and which has yet to make its bid for power.

There are also the armed forces which, though doubtless divided, remain loyal to a vision of an Iran that includes Persian nationalism rather than religious obscurantism. In a country which has seen many thousands of deaths in the past 30 months (the 1,600 official execu-

tions acknowledged by Amnesty being only a small fraction of the total) the opposition is bound to include the families of those who have suffered. They will seek revenge.

None of these opposition groups singly is in a position to challenge the government on the streets. Not even the armed forces, who are still traumatized by the revolution and reluctant to risk their relative safety on one throw of the dice, can relish the prospect of street fighting against armed bands. United, these groups would be able to prevent any monopolization of power by the

IRP and to challenge any assertion of that power, particularly in areas outside of the capital.

It may be that resort to terrorism will become the only available means of expression within Iran. The prospect must therefore be for a continuing spiral of violence which will further reduce the chances of the reconciliation and the reconstruction, compromise and regeneration that the people and the country must surely crave.

**Shahram Chubin**

The author is on the staff of the Institute of Strategic Studies

## The man with the timetable mind

The style is usually pedantic, often scholarly, and not always dull. Dr Garret Fitzgerald meanders through his speeches without panache, but you get the feeling that he means every word and somehow that helps you listen.

All the shenanigans and ritual that have surrounded the attempt to elect a new government of the Irish Republic will be over tonight. Only then will Dr Fitzgerald know for sure whether he will be Prime Minister of the 22nd Dail, but not a bookie in town would give you odds against him.

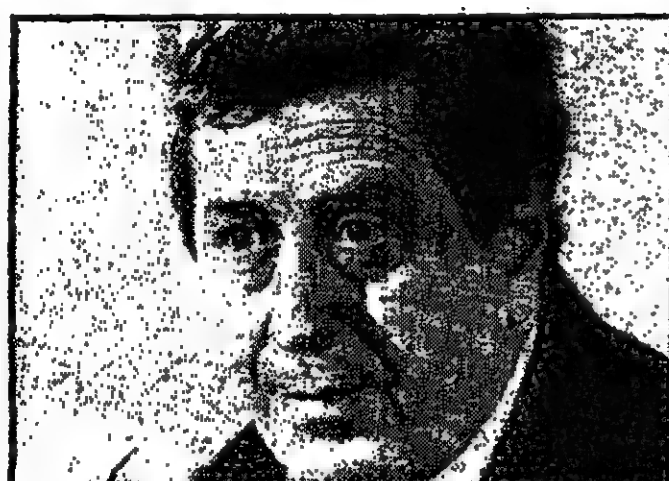
If he succeeds, it will be said in some respects to see Mr Charles Haughey go. Few countries in Western Europe would have put a man with such a lusty past into power but he has been fun; some even say he has been a first-rate Taoiseach.

One thing Dr Fitzgerald would not be is fun. He does not have that essential Irishness that Mr Haughey exudes, probably because his mother was an Ulster Presbyterian and his father was brought up in London.

For one thing, Dr Fitzgerald is always so terribly "nice". Even when the rain is tumbling on him in a dreary village in the middle of an election campaign, he is gentle with the reporters who keep thrusting inane, endless questions at him. His days as Irish correspondent of the *Financial Times*, the *BBC* and *The Economist* have doubtless imbued a lasting tolerance of the newspaper species.

Compare that with a caustic Mr Haughey who turned malevolently on a British reporter: "It would take an Englishman to ask such a stupid question." The question happened to concern the prospect of his losing the election and the opportunities that might present for his substantial and dedicated enemies, whose commitment to bringing him down is a testimony to the manner in which he rose to power.

Dr Fitzgerald, garrulous and irrepressible though he is, does not have the charisma of his rival. He is a barrister by train-



Dr Fitzgerald: pedantic, but he means every word.

ing, economist by profession, statistician by instinct, and a journalist by inclination.

He entered mainstream politics only 12 years ago when he was 43 and moved promptly to the Opposition front bench. Mr Liam Cosgrave, whom he succeeded as party leader four years ago, appointed him Minister for Foreign Affairs, the coalition government in 1973, a post he filled with decorum and a degree of gentle success.

He started visiting Brussels as a politician in 1966—although his political life had been going for years—the year after being elected to the Irish Senate, a largely insignificant body. It meant that by the time he entered the Cabinet he was a widely known and respected figure in Europe. Speaking fluent French is an invaluable talent he shares with his good Ulster friend, Mr John Hume.

He is just the sort of man to go down well in Europe, and everybody loved his six months' presidency of the EEC Council of Ministers in 1975. Also, his qualities of dedication and endurance are less enchanting on the Irish scene. The TV audiences' listened with rapturous incomprehension during his election campaign to a deep personal analysis of the Irish economy, delivered with didactic dreariness—but, of

course, deep sincerity. It is said that he has learned his lesson and will keep it plain and simple in future.

When he was 12 he committed a cluster of airline schedules to memory. Nearly a decade later he reeled them off by heart while being interviewed by Aer Lingus for a job as an administrative officer, starting with flight numbers, routes and destinations from Boston and moving slowly down the East Coast of the United States to the incredulous wonderment of his future boss.

His journalistic career began with a sackful of letters to newspapers around the world and soon he was contributing on Irish affairs to the *South China Morning Post*, the *Montreal Star*, the *Statesman of India* and a host of others.

The young Garret had a comfortable upbringing in the middle-class family home in Bray and T. S. Eliot and W. D. Yeats were among those who gathered around his parents' dinner table. In University College, Dublin, he studied history, French and Spanish, followed by two years doing Law and Philosophy. History, he says, gave him perspective. Law gave him clarity.

It was his father, no doubt, who gave him politics. Dr Fitzgerald, the son of Irish immigrants who left in

the tragic 1860s, was imprisoned for seditious speech and just got out in time to take part in the 1916 rising. He supported the 1921 Treaty and became Minister for External Affairs in the first government of the Free State.

Most of Garret Fitzgerald's relatives live in Northern Ireland. He goes there often and did so a great deal when he was a cabinet minister, which brought a hue and cry from extreme Protestants, but that soon died away into a surly resignation and they left him alone.

His contribution to getting the Sunningdale talks under way was admired by many although his critics claim he was more intellectual than intuitive. There is no doubt, however, that he is a much more trusted and tested man in the North than Mr Haughey.

On paper his policy on Northern Ireland is essentially the same as Fianna Fail's, but the approach and style are wholly different. Mr Fitzgerald, for example, believes in immediately bringing Belfast into the current Dublin-Westminster talks, which is typical of a man who has built his image out of honesty.

He was elected by Fine Gael's parliamentary party as leader in July 1977 without a count after it had suffered its single most drastic setback. Fianna Fail was basking in the warmth of an electoral walkover, confident that the next election would already be in the bag.

But the man who remembers timetables set about a process of re-organization that was logical, efficient, gradual and successful. The machinery during the election campaign worked like a dream, even Mr Haughey admitted as much.

Perhaps after today Dr Fitzgerald will be given the chance to do something of the same for a country with a £4,000 million foreign debt, inflation of 21 per cent, unemployment of 11 per cent, a civil war in the North and a mass of moral and spiritual questions that are awaiting an answer.

**Christopher Thomas**

## Now the Forces radio is in the line of fire

The stage is set for the start of a battle-royal between the British Forces Broadcasting Services, which have kept the home fires burning in the hearts of British troops abroad since 1944, and the Ministry of Defence, their 15m-a-year sponsors.

A ministry consultative paper, published today, is expected to propose the merger of the BFBS, which started Cliff Michelmore and Jean Metcalfe on their path to glory with the Services Cinema Corporation, a registered charity responsible for providing feature films, training documentaries and television sets to overseas servicemen. That happens, the 30-strong London staff of BFBS is threatening to leave the relatively harmless Institution of Professional Civil Servants for the more blood-minded Association of Cinematograph Technicians (ACTT) and take industrial action.

The ministry is pretending the merger has nothing to do with defence expenditure cuts but represents a sensible amalgamation of technological talents. Its recommendations will go to the principal personnel officers of the three services. Then the matter will be discussed by the Civil Service Department and the Treasury.

The man at the middle of the fracas is John Grist, latterly chief BBC representative in the United

States, who is managing director-designate of the new body and who feels he has ironed out the anxieties of the civil service staff.

I have news for him: the staff, who produce 30 hours of programmes a week for transmission from Germany, Cyprus, Gibraltar, Hongkong, Nepal, Belize and Brunei, will accept the merger only over their dead bodies. They are worried not only about the loss of MoD sponsorship but also their index-linked pensions.

"An IPCS spokesman told me: 'We are an efficient organization with a fine record. The intention is to break us up and put us in with a non-broadcasting organization run by retired people. Let them try.'"

### Dandy Andy

Artist Andy Warhol has become a male model. Apparently, it has always been one of Warhol's unfulfilled ambitions to model men's clothes and he is now pursuing this secondary career very seriously. He has joined the Zoffe agency in New York and every morning visits Janet Gartin, a beautician on Madison Avenue, where he goes to improve his skin (Warhol has a skin complaint—he has no hair on his body). To improve his appearance, he has also gone on a diet, and now looks quite emaciated. His first shooting has been completed and will appear in the next issue of *Harper's*.

### Clocking out

Miss Mary Goldie, who for 35 years the devoted secretary and companion of Princess Alice,

## THE TIMES DIARY



Andrew Lloyd Webber, who wrote the music for such hit shows as *Jesus Christ Superstar* and *Evita*, is scoring New York this week for a suitable venue for the Broadway version of his current London smash, *Cats*. Apparently the task is not as straightforward as it looks. *Cats* has to be staged "in the round" and needs a lot of space. None of the conventional proscenium stages there is suitable and New York's theatres in the round are not large enough.

When I spoke to him yesterday he was halfway through a rather

improbable tour of "suitable spaces" taking in defunct opera houses, former ballrooms and bubble structures in open parkland.

Most of the major American producers and theatre owners have been to see the London production at the New London Theatre and Lloyd Webber believes that a Broadway production will open in either spring or autumn next year.

Once he returns from New York at the end of this week, Lloyd Webber intends escaping to France for a fortnight with his collaborator, Tina Turner, to discuss several ideas for future musicals, including one which revolves around a game of chess.

Countess of Achlone, has finally completed the monumental task of clearing her mistress's effects from Clock House, Kensington Palace, where she lived for many years until her death last January.

Most of Princess Alice's property has been taken to the home of her daughter, Lady May Abel Smith at Windfield, Berkshire. Her husband, Colonel Sir Henry Abel Smith was once ADC to the Earl of Athlone.

Clock House now stands empty awaiting cash to pay for refurbishment (including re-wiring and re-plumbing) and a new, as-yet-unknown royal occupant.

Princess Alice, the last survivor of Queen Victoria's 37 grand-

children, was 97 when she died on January 3. She appointed the Canadian Miss Goldie as her secretary after the Earl relinquished his post as Governor General of Canada in 1946.

Miss Goldie, now retired, told me: "I have so many fond memories. Princess Alice was a person who found beauty in so many things."

With the removal of her effects to Windfield, opportunities to acquire Princess Alice memorabilia are scarce. One such not-to-be-missed chance occurs next month when part of her hitherto-unknown collection of decorative fans will be auctioned by Phillips, as well as a quantity of fine lace.



Twenty-six fans, many accompanied by labels showing they were gifts from European royalty (whose names read like a roll-call from the *Almanac de Gotha*) will be sold. Among them there is a nineteenth-century black chintilly lace fan, a gift from her mother-in-law, Mary Adelaide, Duchess of Teck (1833-1897).

**Early bookings**  
Library World, the journal of progressively minded librarians, approached by the Guinness Book

of Records to find the youngest library member in the country, has been turning up some startling facts. Initially the record seemed to have been set by a child registered at the local library by his mother when just two weeks old, but Mr Ken Bowden, district librarian at Bacup in Lancashire, knows a man who put his daughter down for a reader's ticket when she was five days old. Not to be outdone, the district librarian enrolled his own son on the third day after he was born.

That record stands for the moment; the journal is still canvassing fresh entries from librarians around the country. Pre-natal registrations, I understand do not qualify, though I hear there is some talk among publishers for books for the pre-literate. Where will it all end?

### Royal prerogative

So Princess Margaret will not attend the Royal Ball's gala opening at the Kennedy Centre in Washington on July 14. How quickly times change, even for royalty. As recently as early May, when Prince Charles was in the American capital, and only hours before Bobby Sands died, a mere seven turned up outside the British Embassy.

Incidentally, the Royal Ball has been fairly well received by New York critics so far, but there was this sharp comment in the *Village Voice*: "Leslie Collier's dancing is akin to the English weather—the

periods of sunshine are too infrequent to evaporate the damp."

### Closely observed

Whatever the merits of the Monopolies Commission's report on *The Observer*, out today, Sir Geoffrey Le Quesne and his fellow-commissioners are very much in error when they refer on page 33 to "The Sunday Times" strike during 1979. If they are looking for comparisons between the situation facing *The Observer* now, and *The Sunday Times* then, they will not be helped by this mistake. Production of *The Sunday Times* was halted because the Thomson Organisation chose this way to resolve production difficulties. There is a difference between that and a strike.

### Once bitten . . .

After my story about Harold Macmillan's skirish with some young Turks at Oxford who wanted him replaced as Chancellor, I have been given another example of Macmillan's octogenarian wit.

Earlier this year, he was one of four former Prime Ministers at a special House of Commons lunch, together with James Callaghan, Lord Home and Sir Harold Wilson. Conviviality set in with the claret and as it did the older statesmen began to joke about who they might choose for a new cabinet. "We won't have any of those young chaps," Macmillan quipped, "they'll only try to eat us out, and we won't have any women, either. Will we Jim?"

**Peter Watson**





P.O. Box 7, 200 Gray's Inn Road, London WC1X 8EZ. Telephone: 01-837 1234

## TOWARDS THERMIDOR IN IRAN

The events in Iran reinforce, unhappily, the observation of the French revolutionary Pierre Vergniaud that revolutions — like Saturn — tend to devour their own children. Vergniaud made the remark at his trial, having fallen foul of those more zealous than himself. This has been the classic pattern of modern revolutions, and Iran is no exception. After the fall of the Shah there came, not a period of fruitful national cooperation but a bitter struggle between rival revolutionary factions. As in the case of the French revolution, or for that matter the Russian one, the extremists in Iran have gained the upper hand over the moderates, partly thanks to their willingness to use methods which mirror those of the overthrown tyranny. Iran is about to enter its Thermidor.

Given the religious fervour which underpins the actions of the Islamic clergy, the period of reaction and repression could well be a grim and bloody one. The toll is already high. Quite apart from deaths and injuries resulting from street battles, at least seventy people are thought to have been executed by Revolutionary Guards on the orders of the clergy during the past week. Most of the victims have been young, left-wing members of the Mujahideen or supporters of the ousted President, Mr Bani-Sadr. Approximately the same number were killed in the bomb attack on the Tehran headquarters of the hardline Islamic Republican Party. Several leading members of the IRP were killed in the explosion, including the party leader and Head of the Supreme Court, Ayatollah Beheshti.

The fact that the two sides are able to inflict casualties of this magnitude on each other suggests that this phase of the revolution may last for some time. It is not yet clear whether Mr Bani-Sadr himself is a spent force. He must by now be regretting his tendency to focus opposition to the IRP around his own personality, rather than on a well-founded organization able to take on the forces of fundamentalism. As it is, the IRP is well entrenched in the Majlis and in the administration, and will benefit from the apparent inability of its opponents to unite in a common cause.

On the other hand the IRP, having taken the reins of government exclusively into its own hands, is almost certain to prove unable to provide Iran with stability, or even to govern effectively, by riding themselves of the Western-educated young men typified by Mr Bani-Sadr, the Islamic clergy will make it more difficult to manage the floundering economy. By pursuing with single-minded fanaticism their dream of an Islamic Republic founded on total subservience to Islamic law, they will deliberately exclude much of the secularist talent available to them. The IRP has also been dealt a severe blow with the death of Ayatollah Beheshti, who almost alone among the fundamentalist leaders had shown an awareness of the complexities of running a modern state.

The question is, which of the opposition groups would be

## NEW CRITERIA FOR CIVIL SERVICE PAY

The terms of reference Lord Soames gave yesterday for the review of the method of determining pay in the non-industrial Civil Service are wide enough to permit the thorough reexamination that is needed. The centrepiece of the present arrangements, the Pay Research Unit, had to go. It was introduced in 1956 to implement the Priestley Commission principle of "fair comparability". But it had lost the confidence of the outside public as well as of Government. Too often recently its findings have led to settlements which appeared — at least to the beleaguered industrial sector — generous to the point of incomprehension. As some civil service pay levels, particularly in the middle ranks, drifted ahead of market reality, the PRU was bound to lose credibility and attract political criticism.

Much of the resentment which has arisen is not in fact the fault of the PRU. Certainly its comparisons have too often been made with the plush upper echelons of banking and finance. That must be redressed. But the main problems arise because of the changes which have occurred in the economic environment since the PRU was established. The greatest fears experienced by an employee today are not whether his pay or "perks" will slip marginally and temporarily behind some theoretically stellar worker in a different industry. The twin threats today are unemployment and inflation.

Unemployment has removed the very livelihood from over a million people in industry during the past year. Inflation erodes the living standards of millions of others who retire. Civil servants, along with many more in the public sector, are privileged in being virtually cushioned from these scourges. It is therefore no longer tolerable to have a system of rewards which does not take full account of all the returns for a job, of which actual money received is only one.

## THE GIANTS OF ASIA COME A LITTLE CLOSER

China and India have now agreed that there will be serious talks about their relations, starting in Peking in September. With the visit to India of Mr Huang Hua, the Chinese Foreign Minister, both countries have accepted that the border issue must not be allowed to impede a general improvement of relations in other fields. The Chinese see the border in the longer perspective of British rule in India and of their loss of sovereignty over Tibet in the early years of this century. The Indians regard their inheritance from British days as an adequate ground on which to stand. In particular, memories of the military debacle suffered at Chinese hands still rankle.

Perhaps Mrs Gandhi's statement that India would not agree to hand over any of her territory to China may be taken as a domestic political gesture rather than as a bargaining position. Certainly the disputed territory in the Western sector through which the Chinese road-runs is virtually uninhabited, without strategic or economic importance. The Indian position in 1962 and since has seemed to those who have made a dis-

passionate study of the border in the last decades of British rule to be based on a confused rather than a legally certain position. Indian opinion may be less intransigent now, and both sides ought eventually to be able to settle on something near to the status quo. China's present desire to correct past errors in Tibet and to encourage the Dalai Lama's return should help to defuse what tension still remains.

In part arising from the border differences was another area of mutual suspicion: China's carefully cultivated friendship with Pakistan and her support for Pakistan over Kashmir in the 1960s. Relations between India and Pakistan there were real, though mistaken, fears in New Delhi that China might intervene. In the later war, when Indian troops intervened in East Pakistan, Chinese support was still very vocal and at first Bangladesh was seen in Peking as an Indian satellite. That view has been corrected. China's part in the Kashmir dispute is not again likely to be as obtrusive as it was in the sixties; Kashmir will be left for any settlement between India and Pakistan can contrive.

That leaves India's ties with the Soviet Union and with Vietnam as the immediate and surviving issue about which the two countries may quarrel. It has certainly dogged the attempts made on either side to reach a better understanding in the last few years. When the Janata Government came to power after Mrs Gandhi's defeat in 1977 China saw hopes of a change. A cultural delegation went from China in 1978. Early in 1979, Mr Vajpayee, the Janata Foreign Minister, went to Peking, but in the midst of his visit China's punitive operation into Vietnam was launched and Mr Vajpayee departed immediately. Given the fierceness of Vietnam's hostility to China, it may not be easy for the Chinese to meet Indian feelings in that quarter. More probably, the Chinese might hope to see in the long term a united South Asia under Indian leadership emerging not as an enemy of the Russians but at least as a prudent guardian of the frontiers following the Soviet model.

The ready Chinese applause in recent months for any and every sign of rapprochement between India and Pakistan is a hint of the way they may be thinking.

## MR ROWLAND, WITH CONDITIONS

The running of a major national newspaper has become such an expensive commercial undertaking that few of them are owned these days by proprietors with no other business interests. In most instances, therefore, there must always be a potential conflict of interest, no matter how remote. In the case of the proposed purchase of *The Observer* by Lorrho, however, the risk is by no means remote. *The Observer* takes particular pride in its coverage of Africa, and Lorrho does a very high proportion of its business in Africa — and no company trades successfully up and down the African continent if it is not in favour with a number of African governments.

For Lorrho to be an acceptable owner of *The Observer*, therefore, there would have to be assurance that the newspaper would not suffer interference from its parent company for the sake of wider commercial interest. The paper would have to be free, for example, to comment unfavourably upon any African government. The Monopolies Commission report, published yesterday, offers two kinds of safeguard. One is the creation

of a number of independent directors, the other is that certain undertakings have been given by Lorrho on editorial independence.

Independent directors certainly have a useful role to play, but by their very nature they are not in day-to-day touch with the running of the paper. By themselves they cannot provide an adequate safeguard. Undertakings may seem to many people to be too nebulous to be of any value. They would be hard to enforce effectively against a proprietor who was determined to infringe them. But they are a public promise by the proprietor of the criteria according to which he intends to conduct the paper; they are a protection for an editor of principle; and they offer the prospect of an unholy row if they are seen to be broken.

It is worth having such undertakings, even though one would have misgivings about any extension of statutory intervention in the conduct of newspapers. Nonetheless, there were three unsatisfactory features of the Commission's inquiry. It is not evident that

sufficient weight was given to the objections from senior editorial staff. A successful newspaper requires the active cooperation of every single member of the staff, whatever his or her role. But it is the senior journalists who give it its distinctive flavour, and no paper can thrive if its special character is not respected.

Secondly, useful though formal undertakings may be, it would have been better still if there had been open hearings so that the intending proprietor could have been questioned in public on his intentions. His assurances would then have been on the record in much fuller form. Finally, the Commission ought to have been prepared to take evidence from alternative purchasers. The public interest requires that *The Observer* should continue in publication. It also requires that the paper should have the owner who would be most likely to secure its commercial future, and preserve its journalistic reputation. How can that question be answered, when there are doubts about the prospective purchaser, without having a look at the alternatives?

## The wisdom of Trident

From Lord Duncan-Sandys, CH  
Sir, Those who are criticizing the Government's decision to introduce Trident into the nuclear system should face the fact that if all the money to be spent on the Trident were allocated to our conventional forces, it would not, to any noticeable extent, diminish the overwhelming military superiority of the Soviet bloc.

The Russians know for certain that, if there were to be a purely conventional war, they would be bound to win. Should they, at any time, be minded to conquer Western Europe, the only thing that would deter them is the fear of provoking a nuclear war, in which there can be no winners.

A decision by Britain to update her independently controlled nuclear armaments at the expense of painful cuts in her conventional forces cannot be taken to strengthen the credibility of the Western deterrent and thereby give the Kremlin additional grounds for hesitation. Since the prevention of war is the primary objective of our defence policy, the Government's decision is thus unquestionably right.

## The French Communists

From Dr J. M. Weber  
Sir, Your analysis of President Mitterrand's inclusion of Communist ministers (June 25) is puzzling. After his presidential victory he did not promise Communist positions in government, so the election confirmed his independence of Communist Party support — as distinct from that of people who have sometimes voted Communist. As you say, Mitterrand knows the Communists well enough not to trust them, and a flagrant sign of their opportunism is their switch of policy over Afghanistan: one can only be amazed therefore that they have been given the civil service ministry.

## Whitehall Theatre

From Mr Brian Rix  
Sir, It's not my business to defend Mr Paul Raymond and his past or future activities at the Whitehall Theatre but I cannot let Mr Monty Moss's extraordinary comment (June 26) that "any theatre in Whitehall would be inappropriate" go unmentioned. Where has Mr Moss been for the past 51 years? As far as I'm aware he just up the road in Covent Garden. To write as though he was opposing the building of a new project is incredible.

Perhaps this is some deep laid plot for taking over the Whitehall Theatre and bid I suppose it would be more appropriate to hire funeral attire from nearer Buckingham Palace as the garden party season approaches. Gums could walk down the Mall and return their borrowed plumes in the termination of proceedings, thus increasing Mr Moss's turnover considerably.

## On with the dance

From Mr Peter Bowring  
Sir, It is only fair to the Royal Ballet to point out that the account on June 18 concerning their performance of *Sleeping Beauty* at the Metropolitan Opera House in New York was incorrect.

The Reuter report states: "After the fifth incident the performance of *Sleeping Beauty* was halted towards the end of the first act and the dancers stood and watched the commotion in the auditorium."

This is totally untrue. The performance, which was loudly applauded by an appreciative, enthusiastic and in circumstances most tolerant audience, was virtually faultless and immensely enjoyable throughout.

## Different scale

From Mr and Mrs Giles Payne  
Sir, It is to be hoped that Mr Frank Reginald Everet and his two German friends who scaled a wall topped with spikes into what they 'imagined' was a London park (report, June 24) do not make a similar error should they ever visit West Berlin.

## Cut in BBC foreign services

From Professor Roy Fuller  
Sir, I write as one who, with fellow Governors of the BBC, worried for over seven years about the preservation of its external services. I sincerely trust your leading article today (June 26). Once gone, a service is extremely hard to restore, not least because of the drift away of the staff concerned.

It is painful to think so many talented people at BBC House are going to stop speaking for us to other countries.

Yours faithfully,  
ROY FULLER,  
37 Langton Way, SE3,  
June 26.

From Mr Stephen Schattmann  
Sir, You head your leader (June 26) on the proposed cuts in the BBC's External Services "Victims of false economy". All of them? I am staggered, as are probably most of your readers, to learn that, broadcast to thirty world countries like Somalia, at the moment, are being cut. And the decision to discontinue Portuguese transmissions to Brazil, a country with a development potential second to none in the world today, is profoundly disappointing. It is a pity that the report of proposed cut-backs in export promotion services.

But broadcasts to France and Italy, I submit, are something rather different. Let me say at once that I do not subscribe to the view apparently cherished by successive managing directors of the BBC External Services that the number of services under their control represents some sort of national virility symbol. It is true that external broadcasting is an integral part of British foreign policy. But it is not an essential component of export promotion services.

When in the fifties the three Scandinavian, the Belgian, Dutch and Austrian services were axed, a well-orchestrated press campaign was launched to that end. The BBC would befall Britain's relations with these countries. Did it happen? And whatever the problems Britain might be facing at the present time in her relations with Mr Begin's government, I have never heard it suggested that things would be rather different if only the Hebrew service had not ceased operating in the latter part of the fifties.

## Vaccination risks

From Dr W. J. Appleyard  
Sir, It will be very difficult for both doctors and parents to make up their minds about the risks of vaccination against whooping cough when the Department of Health and Social Security did however publish the report of the Meade Panel (of which Professor Stewart was a member) which concluded, after a long and arduous process, that the Association of Parents of Vaccine Damaged Children were very unsatisfactory for epidemiological purposes (para 111.56). Moreover, the Committee on Safety of Medicines, which analysed retrospective data, and the prospective National Childhood Encephalopathy Study was the failure to identify a distinctive pattern of clinical features associated with the vaccine.

The attitude of concern about an undefined condition must therefore be arbitrary.

Professor Stewart (Letter, June 12) accuses the Government and its medical establishment of "gross deficiencies" and of "smothering the truth". The Department of Health and Social Security did however publish the report of the Meade Panel (of which Professor Stewart was a member) which concluded, after a long and arduous process, that the Association of Parents of Vaccine Damaged Children were very unsatisfactory for epidemiological purposes (para 111.56). Moreover, the Committee on Safety of Medicines, which analysed retrospective data, and the prospective National Childhood Encephalopathy Study was the failure to identify a distinctive pattern of clinical features associated with the vaccine.

## Legendary performers

From Mr Vivian Vale  
Sir, To pursue Mr Hooberman's researches (June 25) no further than the Old Testament, what about the close-knit group, the Morning Stars, the somewhat muted Schola Cantorum super flumina Babylonis, and of course the Jericho Brass Ensemble?

Yours faithfully,  
VIVIAN VALE,  
The Warden's Lodge,  
South Stoneham House,  
Swaythling, Southampton.

## Education cuts

From the Chairmen of the Committee of Directors of Polytechnics  
Sir, Considerable attention has been paid to the difficulties likely to be experienced by the universities following an 8% per cent reduction in their revenue budget over the next three years. This, together with the impact of overseas students' fees, is causing universities to draw up plans to reflect the reduced level of resources.

However, because the funds for individual polytechnics are dealt with through 26 local authorities, it may not be sufficiently realized that these institutions have suffered and are suffering to an even greater extent than universities.

## Right side of the tracks

From the Director of the Society of Motor Manufacturers and Traders  
Sir, Your editorial of June 23, "Mr Fowler's prudent mouse", repeats the myth about rail paying for its track costs while the motorist and haulage industry have no such burden.

The fact is that in 1981-82, taxes paid by car, truck, bus and coach operators will add up to £8.5bn. The component elements in this total are: Fuel duty, £4.45bn; vehicle excise duty (road fund licence a waste), £1.62bn; VAT on new vehicles, £852m; the iniquitous additional 10 per cent special car tax (now applicable also to motor cycles), £850m; VAT on petrol and Derv, £850m.

The total national expenditure on "track costs" for road vehicles in 1981-82, ie all road building and maintenance both by local and national government, will be just under £1.70bn. The profit to the national Exchequer from road users for this financial year alone is £1.5bn. Thus, by any reading, the road user is paying many times over for his track costs.

Can this myth therefore, please, be laid for once and all and written out of future special pleading for British Rail? It is demonstrably untrue and cannot possibly help to win the favour of reasonable readers to other factors in the BSE case for new investment in new investment that will benefit everyone, both road and rail users, who are in the majority of cases the one and same taxpayer anyway.

Yours sincerely,  
ANTHONY FRASER,  
Forbes House,  
Halkin Street, SW1,  
June 23.

From Mr Michael Seymour  
Sir, Mr Nigel Posner's somewhat puerile reply (June 18) to Professor Alan Day's letter (June 17) calls for comment. He challenges Professor Day to a public debate on a "serious business" proposition for railway conversion — the acid test to be whether money can be raised for the project in the City of London. The implication is that the idea of such conversion is ridiculous.

Since there have been several examples of roads being constructed on former railway routes, the idea evidently did not seem so ludicrous to the local authorities concerned. The most notable example is at West Approach Road in Edinburgh. The Edinburgh authorities did not, of course, have to raise money in the city — raising in this country is not a "business proposition" in that sense. And as far as I know no group of people would be allowed to construct and operate a toll road. So Mr Posner's challenge is specious.

The question that ought to be asked — and a public debate on this might be very useful — is whether certain strips of land belonging to the nation, and currently under-utilised as rail routes, would serve a more valuable function if they were instead used as routes for roads. Like Professor Day I am convinced that conversion of certain routes, especially in London (e.g. the North London Line), would bring great benefits including an improvement in road safety.

The idea deserves a more thoughtful reception than Mr Posner, with an effrontery all too typical of British Rail executives, is prepared to offer it.

Yours faithfully,  
NIGEL SEYMOUR,  
Bathelton Court,  
Tamton.

From Mr E. W. J. Nicholson  
Sir, Professor Day's letter (June 17) criticizes your other correspondents as "intemperate", but is itself less than intemperate.

A comparison of changes in railway policy throughout Europe in the quarter-century ended 1980, as tabulated in *Britain's World Railways*, shows that Britain made by far the most savage cuts in mileage — 41 per cent — except for the insignificant Luxembourg system (300 miles). The average cut was not much more than 10 per cent, while 10 of 15 countries actually extended their mileage.

Who is right, Britain or Europe? Our poor industrial and economic performance throughout the period hardly justifies the how many birds can exist together for an hour or so. After all, one never knows, it might rain and the trees would provide necessary shelter for a large number of the million people.

## Topless in 'The Times'

From Sir Robin MacLellan  
Sir, You have taken to slicing the low so-called head-and-shoulder photographs. Is not the height of a man's forehead of greater significance than how he knots his tie? Please restore to us the politicians we have come to recognize if not to love — scapes and warts and all.

Yours,  
ROBIN MACLELLAN,  
11 Bechwood Court,  
Barnes,  
Gloucester,  
June 25.

## All too clear

From Mrs Kathleen Dennis  
Sir, It has been declared a distinct possibility that over 100 trees be cut down for the Pope to say Mass in Richmond Park. That number of trees will leave an awful scar in the park, a scar which will be noticeable and regretted for many years to come, and long after the million people have forgotten their visit to this lovely place. How many birds and small animals would miss the death of the lack of these beautiful trees cannot yet be known.

Surely the Pope, the Mass, the million people and over 100 trees can exist together for an hour or so. After all, one never knows, it might rain and the trees would provide necessary shelter for a large number of the million people.

Yours faithfully,  
KATHLEEN DENNIS,  
13 St Paul's Road,  
Richmond,  
Surrey,  
June 23.

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Yours,  
ROBIN MACLELLAN,  
11 Bechwood Court,  
Barnes,  
Gloucester,  
June 25.

From Mr Victor Hochhauser  
Sir, I cannot understand why, this

word "legendary" has triggered off Mr Ronald Hooberman's imagination into a fantastic flight of fancy in today's *Times* (June 25). The *Pocket Oxford Dictionary* (p.457) defines "legendary" as "famous". Its application of the word is as far removed from reality as the legendary Phoenician Huberman is from his phonetic namesake. But to suggest that any kind is really required in the case of Richter and *The Times* is about to lose an extra line of advertising.

Yours faithfully,  
VICTOR HOCHHAUSER,  
4 Holland Park Avenue, W11,  
June 25.

## Education cuts

From the Chairmen of the Committee of Directors of Polytechnics  
Sir, Considerable attention has been paid to the difficulties likely to be experienced by the universities following an 8% per cent reduction in their revenue budget over the next three years. This, together with the impact of overseas students' fees, is causing universities to draw up plans to reflect the reduced level of resources.

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Future of US interest rates, page 19

# Business News

THE TIMES June 30 1981

Boiler makers under scrutiny, page 19

**Stock markets**

FT Ind 543.9, up 3.0  
FT Gilt 66.16, up 0.36

**Sterling**

\$1.9420, down 95 pts  
Index 94.2, down 0.3

**Dollar**

Index 108.8 unchanged  
DM 2.3882, up 52 pts

**Gold**

\$429.50, down \$13

**Money**

3 mth sterling 12 1/2  
3 mth Euro \$17 1/4  
6 mth Euro \$17 1/4

## IN BRIEF

### Reed pays £132,000 to ex-director

Reed International has paid £132,000 plus legal costs of £21,975 to Mr Robert Billingsley, one of its former directors. Mr Billingsley resigned in 1977 as chief executive of the group's Canadian paper operations and as a main board director. Reed later blamed him for arranging the controversial £100,000 (£49,500) post-employment payment to Lord Ryder when he left the chairmanship of Reed International to become the Government's chief industrial adviser. The payment was made through Canadian Forest Products who was reimbursed by the Toronto-based Reed Ltd the following year and the payment entered as a political contribution. Lord Ryder repaid the money as soon as he learnt the circumstances of the payment. The sums paid by Reed International to Mr Billingsley, which are disclosed in the latest annual report, have been made as part of a general settlement of litigation proceedings in Canada between Mr Billingsley, the company and certain of its subsidiaries and the trust of a share incentive plan. Mr Billingsley is a Canadian national.

### Cocoa talks

Cocoa producer and consumer countries which have said they will provisionally apply the 1980 International Cocoa Agreement yesterday began two days of talks in Geneva to decide how to proceed, in view of the continued refusal of the United States and Ivory Coast to accept the pact.

### E Midlands forecast

East Midlands employers yesterday gave a guardedly optimistic forecast, with far fewer firms expecting redundancies. Mr Geoffrey Hulise, director of Nottinghamshire Chamber of Commerce and Industry, said: "Some companies are doing quite well, but others are finding severe problems of lack of demand."

### White collar pay

The pay of white collar workers has gone up twice as fast as earnings of manual workers over the past year, by 16.6 compared with 9 per cent, according to a report from Reward Regional Surveys. A 14.1 per cent increase in operatives' hourly earnings was offset by a fall in hours worked.

### Japanese exports

Exports of Japanese colour televisions and video tape recorders rose 58.3 per cent and 107.8 per cent respectively in May compared with the same period last year, the Electronics Industries Association of Japan reported yesterday.

### French wages rise

The average net monthly pay packet of unmarried blue-collar workers in the Paris region grew by 4.7 per cent in the first quarter of this year, during which the cost of living increased by 3.1 per cent, the French labour ministry said.

### Airfix wound up

Airfix Products, the toy makers, was compulsorily wound up in the High Court yesterday. The petitioners were Turnbulls, trade creditors for £51,480, supported by the Joint Creditors' Association. The petition was unopposed.

### Share prices

Stock Exchange and unit trust prices published in yesterday's Business News related to Friday's close rather than to capitalization and the week's change. We apologize for the error.

### Wall Street lower

The Dow Jones industrial average closed at 984.49, down 8.39 on the New York Stock Exchange. The S&P 500 exchange rate was 1.5320 while the £-SDR rate was 0.590476.

## PRICE CHANGES

### Rises

Arb-Latham	15p to 340p	Lloyds Bank	9p to 83p
Barclays Bank	13p to 433p	NEPC	11p to 247p
Berleford Exp	15p to 381p	Mercantile Rise	35p to 819p
Dunbar Group	30p to 483p	Smiths Ind	16p to 391p
Land Secs	13p to 409p		

### Falls

Bank of Ireland	10p to 288p	Samuel H	10p to 255p
Groutvite	50p to 232p	Scapa Grp	9p to 132p
Marinevale Cos	18p to 102p	SA Land	19p to 148p
Middle Wils	35p to 535p	Venterspost	£1 1/2 to £3 21/2
Mothercare	8p to 200p	W Diefontain	£5 7/16 to £304

## Treasury and Telecom clash on borrowing

By John Whitmore

The Treasury and British Telecom clashed before a Commons Select Committee yesterday, as they put opposing evidence on the need for additional public sector investment.

In its paper, the Treasury strongly upheld the "crowding out" theory, it argued that if additional expenditure was added to present totals, either or both of two consequences must follow—higher interest rates and less private sector investment; or higher taxes to reduce private consumption.

British Telecom, on the other hand, said that it needed to invest at least £2,000m (at 1980-81 prices) over the next five years, and the programme was subject to only one major threat—namely the amount of finance that will be made available to it. British Telecom, already pressing for a further increase in its external financing limit for the present year, said that it had an opportunity for wealth creation through an investment programme with a high technology content which could help the British electronics industry.

But it added that it also had a "weak banker" who was unable to provide the necessary loans, related to meeting the needs of the market.

In a normal commercial situation, an organisation with such a range of financially attractive investment opportunities would change its banker or use more than one. For reasons which it is for the Government to explain to the committee, this has not yet proved possible.

In its paper, the Treasury argued the problem of justifying additional investment by the nationalised industries on strictly commercial grounds. Over and above the complications posed by the present categories of current and capital spending, the Treasury's paper pointed to the poor returns of the nationalised industries since 1972—never

significantly above zero and well below those of the private sector.

"If, however, investment projects do pass the appropriate tests, the next question is how they should be financed. The Government's central economic objective is to defend inflation by controlling the growth of money, which means that at any given time the total level of money expenditure in the economy must be limited. This means that investment proposals can only be financed at the expense of other expenditure."

The Treasury stressed the privileged position of the Government as a borrower and pointed to the inevitability of crowding out if borrowing rose against a background of restrictions on monetary growth.

Mr Michael Foster, Treasury economist, told the Treasury select committee on nationalised industries that he concurred with the need for public sector investment to show a reasonable return. But he described the Treasury's views on crowding out as "a return to the philosophy of 1925", and suggested that there were private sector funds waiting to invest in commercially attractive public sector projects.

Mr George Jefferson, chairman of British Telecom, told the committee that if the corporation was to be subjected to private sector competition, it had to respond to the needs of a competitive market. It had to find finance which allowed the company to respond in a competitive fashion. If borrowing was to be based on other criteria, it had to be a matter of some concern to the company.

He added that British Telecom had already started to explore, with City bankers and the Department of Industry, various ways by which the group might be able to raise funds from the private sector.

## Foreign bid talks at Arbuthnot

By Michael Prest

A bid for Arbuthnot Latham, a City merchant bank, looks possible after the directors confirmed yesterday that they had received "certain approaches". It is also understood that, in a separate deal, a 7 per cent stake in Brown Shipley, another merchant bank, may be sold.

Arbuthnot Latham, one of the smallest members of the City's "Big Six", has been in the limelight since it was taken over by a consortium of Lloyds Bank, Citibank, and the American Express Company. Another possible bidder is Kredietbank, a leading Belgian bank.

Lloyds holds 49 per cent of Henry Ansbacher, another member of the Accepting Houses Committee, is assumed that Lloyds will bid through Henry Ansbacher, thereby effectively merging the two banks.

Arbuthnot's consolidated balance sheet has risen from £142m in 1976 to £205m last year. Discontinued retained profits for 1980 were £226m compared with £176m the previous year. There have been rumours for months about a possible bid for the bank, which has interests in insurance, unit trusts, and investment services. The share price rose 20p yesterday to 387p, which values the bank at about £25m.

It would be difficult for Henry Ansbacher and Lloyds—or for anybody else—to gain control of Arbuthnot without the agreement of several major shareholders. These include London Trust, whose chairman is Mr Edward Davies with 12.4 per cent, and Cook Industries, an American company that has major interests in grain trading, is headed by Mr Edward Cook and has 13.8 per cent. Mr Graham Ferguson Lacey, the financier, also has a holding.

A possible bid for Arbuthnot would come while smaller merchant banks are seeking to remain competitive. But it is more likely that Dunelm Laidlaw, a small shadow bank which has a 7.42 per cent of Brown Shipley, is interested in selling its holding simply because at about 485p a share it is worth more than twice the purchase price.

Arbuthnot said it is conscious of its responsibilities to clients, staff and shareholders. The directors said further information will be published if appropriate.

Financial editor, Page 19

## Gold price lowest since 1979

By Frances Williams

Gold sank to an 18-month low yesterday as disenchanted holders, many of whom bought the metal at nearly twice the price early last year, cut their losses and sold. Silver and platinum also fell sharply.

After closing in London on Friday at \$447 1/2 an ounce, the price plunged in hectic early trading, after heavy Middle Eastern selling overnight. The morning fix was down \$11 at \$431 1/2 an ounce.



A calmer market later in the day saw the price ease further to \$428 1/2 at the afternoon fix and then rise slightly to close at \$429 1/2, down \$13 from Friday and \$33 below its closing level a week earlier.

Gold's price at these levels, on a rising trend, in December 1979. A month later, in January, 1980, it had soared to a record price of \$850 an ounce.

High United States interest rates and the strong dollar have made gold a poor alternative to dollar investments.

Gold investors have also been unnerved by plunging silver prices, which fell to a two-year low in London of \$58.50 cents an ounce on news that the United States House of Representatives had passed budget legislation authorizing Government sales of 105 million ounces of silver over the next two years. Platinum lost \$20 to close at \$408.50 an ounce.

## Gas boiler makers accused of collusion

By Derek Harris  
Commercial Editor

Six leading manufacturers of domestic central heating gas boilers were accused yesterday by Mr Gordon Borrie, Director General of Fair Trading, of collusion over raising prices.

Mr Borrie is to take the case to the Restrictive Practices Court to secure a ruling on whether there has been price-fixing.

The OFT chief maintains that at a meeting held on May 20 last year the companies agreed they would each increase the list prices for their boilers.

Although the companies agree the meeting took place and that prices were discussed they are contesting, in various degrees, that there was collusion on raising prices.

The companies are Stralder (part of Metal Box), Radiant-Ascor and Glow-Warm (part of Tube Investments), Thorn Heating (Thorn EMI), Paterson International (Birimid Quaker) and Richard Baxendale and Sons (the Baxi fire makers).

The May meeting came to light after Mr Borrie called for information from the companies under the Restrictive Trade Practices Act. As a result details were yesterday placed by the companies on the register of restrictive trading agreements.

Because the details were not given to Mr Borrie before this agreement is void. It would be open to any affected party to take civil action.

Most of the companies are contesting that there was a collusive agreement as such although Thorn Heating has said in its submission it has been advised that it may have violated the Restrictive Practices Act and that it has abandoned any agreement.

Details of pricing structures submitted by the companies



Mr Gordon Borrie, setting a court ruling.

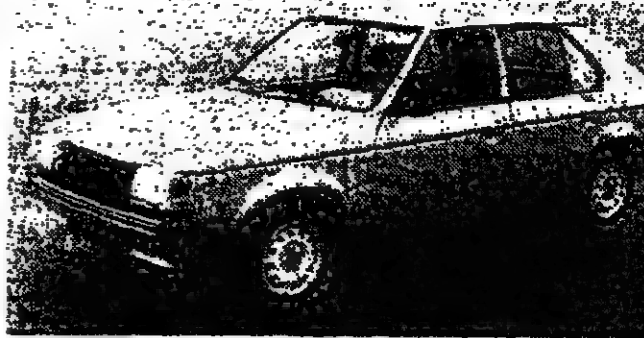
show that there were price increases after the May 20 meeting of around 12 per cent with some variations.

It is not the first time that the gas appliance industry has been involved in allegations of restrictive agreements. After a Monopolies and Mergers Commission inquiry there were admissions by a number of manufacturers of exchange of information and discussion on prices as a result of which 13 agreements concerning gas appliances such as cookers were placed on the register.

Among the companies involved in these agreements were Richard Baxendale and the two Tube Investments Companies, Radiant-Ascor and Glow-Warm.

## 200 new jobs expected at Coventry plant Talbot spending £10m to build Horizon in UK

By Edward Townsend



Talbot Horizon ready for UK Production

Talbot, which suffered pre-tax losses of more than £75m last year, will invest £10m to bring production of the French-made Horizon range of cars to Britain.

The investment, which could bring 200 new jobs at Ryton, Coventry, is expected to double UK sales of the front-wheel drive hatchback Horizon. This model is expected to achieve a 40 per cent increase in productivity over the past two years at its assembly plant at Ryton, near Coventry.

The improvement, which the company says makes it competitive with European motor industry, has been achieved without any sophisticated production techniques or robots.

Three weeks ago Talbot's Linwood plant, near Glasgow, was closed with the loss of 4,800 jobs. The closure, which has cost the company more than £39m, means that all Talbot car production is now concentrated at its Coventry factories.

Mr George Turnbull, the former British Leyland managing director and now Talbot's chairman and managing director, said yesterday that the £10m investment represented a strong commitment by Peugeot in its United Kingdom subsidiary. "I believe this indicates their positive attitude to management and employees in the United Kingdom and it should finally dispel any lingering doubts about Peugeot's intentions in the United Kingdom."

"I want to make it very clear that this additional investment was gained on merit and not for any sentimental face-saving reasons."

The Horizon is to be built at Ryton initially with kits imported from Peugeot's Poissy plant in France. It will join the Alpine and Solara models on the Ryton assembly track and by next summer will account for half the plant's output.

Mr Turnbull said that components work would be offered to United Kingdom suppliers and that eventually at least 50 per cent of the value of every United Kingdom-built Horizon would be British.

With a "made in Britain" label, Talbot expect that the

Horizon will win greater sales in the lucrative company fleet market.

The productivity advance was revealed by Mr Geoffrey Whalen, Talbot's director of personnel and industrial relations. He said: "Two years ago it used to take 60 production workers hours to make a car; we now do it in 35 hours."

Meanwhile Talbot directors are waiting anxiously for news from their team of executives who are in Iran this week completing details of a five-year, £1,000m export contract.

The deal, which covers the export of car kits made at Talbot's Stoke, Coventry, factory, has been agreed in principle. And Mr Turnbull and his colleagues are hoping that it will not be jeopardized by the recent developments in Teheran.

## UK complains to Spain on car tax

By Anne Warden

Mr John Biffen, Secretary of State for Trade, has written to his Spanish counterpart expressing the United Kingdom's dissatisfaction with the level of duties Spain imposes on cars imported from the European Community.

Mr Cecil Parkinson, the Trade Minister, has also met Signor Luciano Nanni of Italy, the European Commissioner responsible for community enlargement, to ensure that the United Kingdom's preoccupation is fully considered in the enlargement negotiations. Mr Parkinson has called the imbalance in tariffs with Spain "wholly unsatisfactory", and adds, "We must now look to Spain's accession to the EEC as the best means of lowering Spain's barriers to United Kingdom exports."

Preferential import duties and other charges almost double the price of cars imported into Spain, Mr Parkinson has said. This compares

with a duty of 4.3 per cent plus VAT imposed on Spanish cars imported into EEC countries. The imbalance in import duties results from a 1970 agreement governing trade between the EEC and Spain, allowing Spain to retain higher tariffs because of the backward state of her industry at that time. However, this has become increasingly unrealistic with Spain's subsequent industrial development, Mr Parkinson adds.

His comments come in a letter to Mr Eldon Griffiths, Conservative MP for Bury St Edmunds, pointing out the discrepancy.

Mr Norman Fowler, the Transport Minister, is holding urgent consultations with the motor industry on setting up a national type approval scheme for commercial vehicles similar to that which already exists for cars, Mr Parkinson adds in the letter.

## First Phoenix steel company is launched

By Peter Hill, Industrial Editor

The new company will be established under the Companies Act and will publish its own accounts. GKN, which is still involved in discussions with British Steel on plans to establish a second Phoenix company covering the engineering and construction sectors, last contributed the bulk of the new joint company's assets. These include the Tremorfa steelworks at Cardiff and its associated bar and section mills and the Castle road mill also in Cardiff.

British Steel's number two rod mill at Scunthorpe also is included. Allied will have a wire rod capacity of about 750,000 tonnes and about 350,000 tonnes a year capacity for production of bars and sections.

Formation of the new company, which was made possible in February when the Govern-

ment endorsed agreements between British Steel and GKN, was warmly welcomed last night by the British Independent Steel Producers' Association.

The organization said that the new company would strengthen the private sector of the steel industry and was the first concrete evidence of the Government's moves to remove overlap.

But considerable uncertainty surrounds the speed at which the EEC Commission takes powers to control production of Allied's principal product. At last week's meeting of the Council of Ministers, which agreed to extend the mandatory controls on most steel products in an attempt to raise prices, wire rod was not included.

Since then, producers and

trade unions, meeting under the umbrella of the European Community Steel Committee, voted strongly for wire rod to be covered by the production limits.

British ministers are understood to have urged the Commission to delay the decision, but last night it was unclear whether wire rod would be covered by the controls.

British Steel Corporation has halved its losses since last autumn and hopes to break even by 1982. Mr Ian MacGregor, the corporation's chairman, said at a news conference yesterday in Glasgow.

He said he hoped British Steel would have a labour force of 100,000 next year, compared with 100,000 when he joined the corporation.

## Counterfeits cost British companies customers and jobs Foreign competition forges ahead

By Nicholas Cole

The production of counterfeit goods has become an international business which is costing reputable British firms at least £200m a year in lost sales, as well as leading to the loss of jobs and overseas customers.

This unacceptable state of affairs is even greater than in Britain, partly because of higher consumer spending, but also because brand loyalty is much stronger.

Several different methods are used by the producers of counterfeit goods. Among the most common are exact copying and "near misses" which closely resemble the real article but where the brand name is subtly changed, such as Veredo for Perodo, and Lockhead for Lockheed.

In Britain alone, the counterfeit goods on sale under famous but false brand names have ranged in recent years from toiletries and textiles to televisions, video equipment and motor cycles.

On the Continent the sale of fakes is even greater than in Britain, partly because of higher consumer spending, but also because brand loyalty is much stronger.

Another type of counterfeit comprises the "spurious copy"—strictly speaking not a counterfeit at all which does

not claim to be a famous brand, but does claim to be as good as other well-known marques.

On Thursday Volvo Truck GB will disclose details of how it has unmasked United Kingdom companies selling Volvo engines reconditioned with "non-genuine Volvo parts". These are badly made and some of the work is "hand-fitted", Volvo Truck said.

Estimates of the volume of counterfeit products sold in Britain vary between £200m and £500m. Mr Ian Mills, the Conservative MP for Meriden who has taken a particular interest in counterfeiting, said: "I am not being alarmist, but I suspect that seven-eighths of counterfeiting is going undetected."

"I regard the figure of £200m of counterfeit goods on sale in Britain as extremely conservative, chiefly because I

keep hearing of fresh examples."

Caratu International, an investigative firm based in Worcester Park, Surrey, has on file 500,000 names of companies and individuals involved in counterfeiting throughout the world, and is adding to the list at the rate of 1,000 each week. Names on the list run from criminals, importers and businessmen to princes, generals and ministers.

Most of the faked items emanate from the Far East, with Taiwan believed to be the leading single source, producing an estimated 60 per cent of all counterfeit goods. Strong representations have been made to the Taiwan Government both by European car part makers and by the United Kingdom Department of Trade. The government in Taipei has promised to take action

## LONDON PRUDENTIAL Investment Trust Limited

TEN YEAR RECORD  
To year ended 30th April 1981

Net Asset Value	up 189%
FT Actuaries All Share Index	up 109%
Dividend (Gross)	up 305%
Retail Price Index	up 268%

For 1981: "We intend to continue our long term policy of searching for dynamic smaller companies to complement the backbone of larger companies in the portfolio."

M. B. Baring, Chairman.

KBIM

Managers:

Kleinwort Benson Investment Management

Copies of the Annual Report are available from The Secretary, 20 Fenchurch Street, London EC3P 3DB.



## Opec oil production 'lowest in 10 years'

Oil production by the Organization of Petroleum Exporting Countries is approaching its lowest levels for more than 10 years, according to the Petroleum Intelligence Weekly.

The New York paper said latest oil industry estimates suggested current Opec output could be as low as 22 million barrels per day compared with 30 million in the first months of 1980.

A majority of Opec states agreed to cut output in May by a minimum of 10 per cent because of the world oil glut estimated at between two and three million barrels per day.

The paper said the sharpest declines were registered by Libya, Nigeria and Algeria, whose total production was estimated to have fallen by roughly one million barrels per day to 2.45 million barrels per day. The three countries decided last week to maintain their official prices of around \$40 despite the glut.

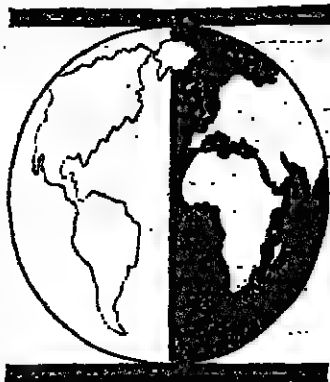
**World Bank loans**  
The World Bank and International Development Association have approved loans totalling \$100m (£57m) to Benin (\$50m), Ghana (\$29m), Malawi (\$46m), and Nicaragua (\$30m).

**Saudi denial**  
Shaikh Ahmed Zaki Yamani, the Saudi Arabian Oil Minister, said the kingdom had taken no decision to cut its oil production as reported earlier by some international oil industry sources.

**Toyota ban threat**  
Bahrain has joined Saudi Arabia in a boycott threat against Japan's Toyota over its impending joint venture with Ford which has production facilities in Israel.

**W German deficit**  
West Germany's current account deficit could widen to DM30,000m (£6,550m) in 1981 and the Government is seeking a limit on its net payments to the EEC budget.

**\$700m homes contract**  
Hongkong's mass transit railway corporation has signed a property contract rumoured to be worth nearly HK \$6,000m (£711m) with a consortium led by Hang Lung Development for 8,000 residential units and a commercial complex.



### Japan exports rise

Export contracts concluded by 13 major Japanese trading houses rose 25.3 per cent in May to 1,240,000m yen (£2,831m) from 990,000m yen in April, and up 4.2 per cent from 1,190,000 yen a year earlier.

### Belgian price rise

Belgium's wholesale price index rose 1.1 per cent in May to 223.1, base 1955, after a 1.2 per cent rise in April. It was 8.5 per cent above May 1980 compared with a 6.5 per cent year-on-year rise in April.

### Mexico loan

The Mexican state oil company, Pemex, is expected to sign a contract in San Francisco today for a \$4,000m (£2,072m) syndicated loan from a group of 82 commercial banks from 11 countries.

### Oman oil output up

Oman's crude oil production in May totalled 9.9 million barrels, up about 55,236 barrels on the previous month. The average daily production in May was 320,692 barrels.

### £36m Nigeria order

Three Japanese companies—Marubeni, Nippon and Sumitomo—have won a joint 16,000m yen (£36.5m) order to construct a microwave communications system in Ibadan, Nigeria.

### Investment forecast

Capital investments by West German manufacturing industries will decline around 3 per cent in price-adjusted or real terms in 1981 from 1980 after rising about 10 per cent in 1980 from 1979, according to a survey by the Munich-based IFO Institute.

## Report claims industry's future depends on modernization Print unions urge more investment

By Donald Macintyre, Labour Reporter

Low levels of investment will hamper the British printing industry's ability to compete when the recession ends, a report by the five main print unions alleges today.

The TUC printing industries committee says that government economic policies are inflicting "serious damage" on printing, publishing and paper sectors, and urges immediate action by ministers to avert a permanent decline in their international competitiveness.

The committee acknowledges that the industry's future depends on its ability to use new technology, but says that employers must realize that a "key element" is the "involvement of trade unions at all stages in the introduction of new equipment".

There are already 30 registered unemployed people for every vacancy in the three industries, and the unions expect the demand for many traditional skills to drop further. They add: "It will be essential that during the 1980s the industry has a comprehensive training and retraining programme for employees."

The unions say that the effect of high interest rates on the exchange rate has caused serious problems for the British printing and publishing industries, which represent about 8 per cent of total manufacturing output. They repeat earlier warnings that high energy costs have put

British papermakers at a real disadvantage compared with overseas competitors. Specific points in the report include:

Books: Not only have publishers been taking advantage of the recent strength of sterling to have printing work done in the United States and other parts of Western Europe, but they have also been taking advantage of lower wages in Eastern Europe and in the Far East.

The unions urge the Government to take what action it can to ensure that the United States changes its copyright Act, which at present covers only books made in the United States and Canada. The report says that some countries like Greece and Spain are operating unfair trade barriers and that the Government should act to prevent dumping.

Gravure printing: The sector is said to be in "poor condition" compared with European competitors. During the last five years the proportion of mail order catalogue printing placed abroad has increased from 30 to 60 per cent. Gravure printing in the packaging trade is closely tied to the consumer market, which cannot be expected to grow quickly.

Newspapers: With some exceptions, the report expects both national and regional newspapers to face continued reductions in advertising revenue. The report says that the unions are "urgently considering" the impact of free-sheets,

which will earn an estimated £70m this year, compared with £2m in 1970, on the circulation and revenues of other newspapers.

Publishing: The British Printing Industries Federation has suggested that an increasing tendency for British publishers to print overseas may lie behind a 4.5 per cent fall during 1980 in the direct export of books and pamphlets. The unions would welcome discussions with companies that export work in an attempt to keep the work in Britain.

The report says that if the industry does not take advantage of new technology, "print industries in other countries will". It recalls that the Printing and Publishing Industries Board said in 1979 that the industries were less ready than manufacturers in general—which were achieving very modest returns on investment—to spend on plant and machinery. In contrast, the unions say, productivity has risen by four per cent since 1970, faster than in industry as a whole.

Prospects for Print, published by the National Society of Print Operatives, Graphical and Media Personnel, the National Graphical Association, National Union of Journalists, Society of Graphical and Allied Trades and the Society of Lithographic Artists Designers and Engravers.

## Britain's 'historic snobbery'

By Mark Jackson

"The Archers" is a symptom of Britain's distorted economic value, a conference of businessmen and teachers was told yesterday.

Mr Kenneth Adams, Councillor of the Royal Society of Arts, told a meeting of the English Speaking Union at Cambridge that the country still suffered from the "historic snobbery" that saw farming as socially more useful than manufacturing or commerce.

"Nothing demonstrates this better than the way in which farming is dealt with on television or radio—plays or programmes such as 'All Creatures Great and Small', 'Emmerdale Farm', and 'The Archers' with a farming background will take it as axiomatic that farming is a good and necessary task", said Adams.

In contrast, many businessmen as well as teachers failed to see the social value of industry.

## Study says academic results not enough

By Nicholas Cole

Companies tend to rate personal qualities as highly as academic success, according to a study of how employers recruit young people, sponsored by the Department of Employment.

In interviews with 350 companies in St Albans, Leicester and Sunderland, the researchers, Mr David Ashton and Mr Malcolm Maguire, of Leicester University, found that job applicants' personal qualities were considered as significant as their academic qualifications.

It was extremely rare for employers to specify minimum educational qualifications for a job, they take on someone with the highest academic record. Exam passes were usually regarded as a general guide to the applicants' ability or ignorance.

In Leicester, 55 per cent of the companies that took on skilled manual workers specified minimum qualifications but then did not rigidly enforce them. A

further 25 per cent recruited skilled manual workers solely on personal qualities.

For clerical and sales staff, 15 per cent employers used minimum qualifications as a means of screening out the less able, but then took other factors into account.

Another 65 per cent adopted a flexible attitude to exam passes, and 17 per cent ignored them altogether.

The study found that educational qualifications were more important at higher levels, but were by no means the sole factor.

For professional and managerial jobs, 90 per cent of employers wanted minimum qualifications, but also sought other qualities. At the other extreme, 90 per cent of those employing operatives had no interest in exam results. In fact, a small number of skilled manual as well as operative jobs were barred to young people who were over-qualified.

## Rates levy threat to industry

From Arthur Osman, Birmingham

Several companies would consider leaving the West Midlands if a large supplementary rate were to be imposed this autumn, the Confederation of British Industry told the new Labour leaders of the county council yesterday.

Many small businesses have already said they are having difficulty meeting increases imposed in April. Labour won control of the county in May on a manifesto that will require an additional £56m of which nearly half will be used to reduce bus fares by 25 per cent.

Yesterday the regional office of the CBI sent the results of a special survey of 135 member companies to County Hall. Its principal finding was that companies will be obliged to reduce their operations if the council imposes a threatened 14p additional charge.

The survey reported that 57 per cent of the companies questioned would reduce their workforces and 59 per cent said investment would be cut back. Of those, 12 per cent said they would consider moving outside the county or investing in other parts of the country or overseas.

The companies in the survey formed a cross section of West Midlands industry, from very large concerns to small businesses.

Mr David Richards, chairman of the CBI's regional rates working party, who is a financial director of Delta Rod, said the CBI had realized the importance of confronting the county council with hard facts about the effects of its plans.

In addition, the survey cut in bus fares for which so much of the extra money was required, another proposal was the creation of a special development unit to hand out cash to companies in the county.

Mr Richards said: "We sent out a carefully considered questionnaire and the conclusions suggest that industry cannot withstand any further increases in the rates burden. In addition, there are firms who are prepared to vote with their feet if it goes ahead."

Speaking about the suggested local enterprise board, he said that 81 per cent of those questioned thought it would be better to leave the money with companies rather than distributing an extra levy through grants and loans.

"The interesting thing is that, even those who thought the grants and loans scheme would be beneficial would not use the money to create extra jobs. Most of them would invest in labour-saving machinery which would mean further job losses", he said.

I do not really have to add that the effect of a big extra rate rise would be catastrophic. Mr Michael Heseltine, Secretary of State for the Environment has already announced a £7m cut in grant aid because of council overspending on its existing budget.

## Elf seeks strong foothold in US

From Charles Hargrove, Paris, June 29

The go-ahead given to Société Nationale Elf-Aquitaine (SNEA), the French national oil company, in its takeover bid for Texas Gulf is a startling demonstration of the new French Government's pragmatic industrial policy.

It is also a victory for M. Albin Chandon, SNEA president. He has achieved his ambition, which was flayed by the previous government, of gaining a substantial foothold for his company in America, and his insistence on the same freedom of action as enjoyed by Renault has been satisfied.

"The Socialists multinational" is the headline of the Leftist newspaper "Liberation" today. It points out that Socialist governments have been in opposition for no longer in power, and that the new government means to give the state-owned concerns greater autonomy. M. Chandon had already laid plans in the spring of 1980 to take control of Kerr McGee, the American mining concern for \$3,500m. But the then minister for industry, M. Andre Girard, vetoed the deal on the grounds that by branching out into mining, SNEA was straying from its primary objective of ensuring the oil supplies of the country.

In August of last year, M. Girard again trimmed M. Chandon's wings by investing ERAP, the holding company for the state's 57 per cent interest in the SNEA, with

sole authority for major policy decisions.

The change of Governments and the decision of the Canadian authorities to "Canadianise" their oil industry, provided M. Chandon with the opportunity to vindicate his theses that the more a country wants to ensure its economic independence, the more it must invest in the United States, and that the United States is one of the few countries left where international oil companies can make money.

For the sale of its 75 per cent interest in the Aquitaine Company of Canada, a subsidiary of the Canadian Development Corporation (CDC), Elf-Aquitaine is to receive \$Can1,200m (£490m). CDC has already agreed to allow the French company to purchase its 37 per cent holding in Texas Gulf, the chemical, non-ferrous metal and oil concern. To buy out the CDC and purchase the remaining 63 per cent of the shares will cost \$2,500m (£1,500m).

The takeover will not mean any outflow of capital from France since the SNEA can call on the credit lines it has obtained to finance the Kerr McGee operation last year.

If the takeover is approved by United States authorities, the SNEA will sell back to the CDC Texas Gulf's assets in Canada and retain only its United States assets. The board of Texas Gulf met Saturday to examine the French offer, but postponed a decision for a week.

Financial Editor, page 19



Recovered silver bars being poured at the plant.

## Technology news

## Chemical process aids scrap silver yield

By Bill Johnstone

The recovery of silver from scrap photographic film and paper has become more profitable as the price of the precious metal has risen. Techniques which increase the yield of silver have been attracting the attention of hospitals, industrial X-ray units, printers, photo-finishers and the film making industry which are all sources of silver scrap.

To exploit this market, a large-scale plant employing new chemical techniques for recovering silver has been designed and built by Photographic Silver Recovery in Melbourne, Hertfordshire.

The plant can process as much as two tonnes of film in an eight-hour shift and, according to the company, is the first successful alternative to incinerating film to recover the silver content.

The yields of silver vary and depend on the type of film, its age and the degree of exposure. The process is said to produce silver sludge of 98 per cent purity.

During the process, which is all controlled electronically, the silver is removed and recovered in its pure state by electrolysis. The film is first cut into small fragments about half a square centimetre in size. It is then passed along a conveyor to a storage hopper and finally the pieces are treated in a drum of chemical solution.

Laboratories, hospitals, litho printers, dental surgeons and veterinary X-ray departments

can now by smaller units based on the principle of the Melbourne plant for their own use between 3.2 and 6.4 grammes of silver per kilogram of negative can typically be extracted. This metal can also be extracted from the fixer used to process film prints.

Between 4 and 5 grammes of silver can be obtained from a square metre of medical X-ray plate.

## New uses for ultrasonics

Ultrasonics, the science of high frequency sound, which has been exploited by the military for decades is now making a big impact on industry.

It is the subject of Ultrasonics International '81, a three-day conference and exhibition which opens in Brighton and is expected to attract delegates from all over the world.

The technology, which uses the behaviour of high frequency sound well above the threshold of hearing, is now being used increasingly in medicine as an alternative to X-rays.

The sound travels into the body and is reflected from tissue surfaces. From the characteristics of the returning sound wave a picture of the tissue can be determined. A similar technique is being employed in industry for detecting faults. It is called non-destructive testing, and is being developed to find cracks in metals or welds.

## Bonn unhappy with EEC steel accord

From Peter Norman, Luxembourg, June 29

The West German government will ask the EEC Commission to take special measures to protect its steel industry if last week's agreement by EEC industry ministers fails to protect it from unfairly subsidized competitors in the EEC.

West German government minister Helmut Schmidt in Bonn today agreed that the agreement worked out in the early hours of last Thursday was not satisfactory.

According to West German government sources, the Chancellor would probably tell his fellow heads of government at the EEC summit meeting in Luxembourg today that Germany was extremely concerned that the pact would fail to lift steel prices and so return the industry to profitability.

Although the sources expected the cabinet in Bonn would approve the deal when it met on Wednesday, they said that Bonn would expect the Commission to act if it were established that the German steel industry was being hit by unfair competition.

## Rollei files for bankruptcy

Bonn, June 29.—One of West Germany's top photographic companies, Rollei, has filed for bankruptcy.

Known among photographers for its Rolleiflex model, one of the first to replace photographic plates with film, Rollei was simply unable to survive the competition and the depressed world economy.

The Japanese have been in pursuit of Rollei's markets for the past 10 years, although this was not the only problem faced by the company.

Rollei, the third major West German photographic company to go bankrupt, after Voigtländer and Zeiss, employed more than 5,000 people, including 4,300 in its Singapore subsidiary.

Rollei's liabilities reached DM25m (£5.7m) in 1980. But it kept on introducing new products such as the Rolleiflex 35, a forerunner of miniaturized cameras. But they did not ward off the company's downward slide.

In early 1981 Herr Hans-Heinz Porst, one of the biggest wholesalers of cameras in West Germany, took charge of the company.

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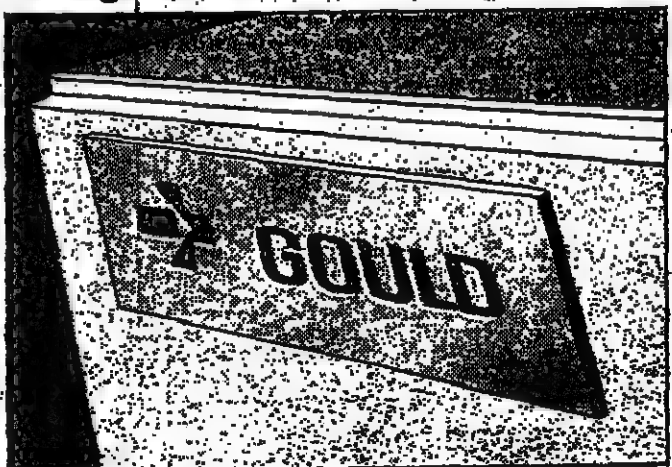
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BY THE FINANCIAL EDITOR

## Open season for US bids

The structure of important areas of United States industrial and commercial life appears to be undergoing some fundamental changes. Undoubtedly the recession has concentrated the minds of many businessmen wonderfully so far as their own companies are concerned. Over the past year or so the virtues of real assets as opposed to bonds or other financial assets have been reassessed; and the notion that huge tracts of United States industry are undervalued has been a seductive influence on Wall Street where share prices have risen, and importantly held on to those rises, in the face of decidedly uncertain economic indicators and the extreme volatility in interest rates.

Foreigners now appear to be playing an important role in this change with multi-billion dollar bids recently from Seagram, the Canadian drinks concern, for Conoco and Elf-Aquitaine's offer for Texasgulf. Overseas bids are nothing new in the United States with the authorities exhibiting a much more open-door attitude than almost any comparable industrialized country and, the recent marauding moves are likely to increase the demands by United States companies for reciprocity elsewhere in the world. Certainly, United States banks are eyeing the British authorities' attitude towards foreign takeovers with keen interest after the spate of United Kingdom takeovers in the United States.

Meanwhile, Elf's decision to bid for Texasgulf stands to transform the ratings of the shares whatever the outcome of the offer. For some time Elf has been selling at little more than four times earnings on the grounds that the French government's intervention policy—which last year blocked its attempts to acquire another United States group, Kerr McGee—would never allow the company to fulfil its long-term promise in commercial oil activities and instead pushed it into unprofitable acquisitions like the New Caledonian nickel mine and the troubled Elf refining group itself.

The move for Texasgulf has turned that policy on its head and the group should now be able to exploit its financial strength that has come essentially from the Lacq gas field in France and more recently exploration success in old French colonial countries and the North Sea. Group net income has grown some 70 per cent a year for five years, although sluggish oil product markets will rein this back this year, but the shares have never achieved the rating their production base should have demanded.

### Irish markets Election jitters

The time to invest, they say, is when things cannot get worse, and at least the problems facing the Republic of Ireland are horrendous. The General Election has wiped out the record majority formerly held by Mr Charles Haughey's Fianna Fail party without putting a strong government in its place. The problems it will deal with—17 per cent annual inflation, 10 per cent unemployment, violence wrecking the tourist trade, a huge budget deficit, business confidence at rock bottom, tough times in agriculture and an onerous foreign debt burden are bad enough. They need strong unpopular measures (heavy new taxes and a credit squeeze) to tackle them, which seem unlikely to materialize. Not surprisingly, both Irish government stocks and ordinary shares are shunned by London. Long dated stocks yield more than 17 per cent, but so they should while government spending and inflation are so high. As for the banks, Allied Irish glutted the market with rights issue paper only a few weeks ago, they offer no overseas diversification, and the punt remains cheap against sterling. Of the few industrial shares in which there is something of a market, Jefferson Smurfit has a fine record against British paper and packaging companies but it has also supplied the United Kingdom market with all the rights issue paper it needs. Irish Distillers may yet suffer from higher excise duty, despite by far the highest rates in the European Community. A weak punt against the United States dollar is helping Waterford Glass, and expanding demand and higher prices should mean continued prosperity for Cement-Roadstone. But the shares are dear.

Sentiment, however, change quickly. Two years ago the Republic seemed the strongest and fastest growing economy in

the European Community. Dabbles in Irish gilts and shares were fashionable. If the new government gets a grip on the economy and more news comes out of the British Petroleum's Porcupine basin oil find, the punt could regain parity with the pound. For the present today's problems bulk larger than tomorrow's hopes.

### Arbuthnot Latham Another poser for the AHC

There can be little doubt that a bid is brewing for Arbuthnot Latham. But who will eventually emerge as the bidder bearing the imprimatur of the Accepting Houses Committee is much less clear. The committee does not like contested bids, especially if they are from abroad.

Arbuthnot is small, assets having risen over the five years from 1976 by £63m to £205m. Disclosed retained profits last year were £226m. On the view that balance sheet size is crucial to survival in modern banking, Arbuthnot has been a potential target for a while. Its attraction to a group such as Lissauer, which is behind the possible bid from Henry Ansbacher, is that of being an important element in a larger financial services operation, and anyone doing business in the City would like a seat on the Accepting Houses Committee.

The problem for the Committee is that of control over Arbuthnot. In principle, a merger between Ansbacher and Arbuthnot is not to be opposed. But what if the dominant voice in Ansbacher is foreign? One possibility is that, having already accepted Lissauer's 49 per cent holding in Ansbacher, the committee will not oppose a merger of the two. Indeed, such an arrangement could dilute Lissauer's holding in the new, bigger bank. The committee would probably be much less content to see Arbuthnot completely taken over by a foreign institution such as Kreditbank.

### Reed International Gauging the upturn

Reed International is giving no hostages to fortune in its annual report, warning shareholders that trading conditions in both the United Kingdom and overseas are unlikely to improve much in the next twelve months. However, there should still be scope for profits to bounce back during 1981-82, if only through progressive loss-elimination,



Sir Alex Jarrett, chairman of Reed International.

lower restructuring costs compared with the £23m taken above the line in 1980-81 and the absence of strikes which cost £12m. Despite halved pretax profits of £50m last year and reduced cash flow, Reed still managed to keep capital spending running ahead of current cost depreciation and help its balance sheet strong. Reed has also cleaned up the asset side of the balance sheet by incorporating properties at 1980 valuations which added a further £85m while £100m of goodwill has been written off leaving only goodwill relating to the publishing interests. The one exception to the revaluation was the United Kingdom paper mills which have suffered a net write-down of £1m in historic cost terms.

Net borrowings last year did increase from £115m to £141m, but the bulk of this was accounted for by the net £22m spent on acquisitions, less disposals; and the debt/equity ratio at the year-end still showed a drop from 34 to 32 per cent, which compares with nearly 200 per cent back in 1978.

Mr Gordon Borrie, Director General of Fair Trading, alleged yesterday that the six largest domestic central heating gas boiler manufacturers colluded on price increases just over a year ago. He will now have to argue the case before the Restrictive Practices Court. The hearing may take place before the court rises for the summer recess next month.

With most of the manufacturers contesting the allegations the case is likely to be anything but straightforward. But the pressures on the companies, hit by falling sales in a virtually saturated market, are clear enough.

Until the middle of 1979 things looked good for the suppliers to the gas boiler market, now worth around £60m a year. The six main suppliers are: Stelrad (part of Metal Box); Radiation-Ascot and Glow-Worm (part of Tube Investments); Thorn Heating (Thorn EMI); Paxson International (Birmingham) and Richard Baxendale which is probably best known for its Baxi firm.

At one time Potterton held about a third of the market but that lead has been eroded and no one company is now the clear-cut market leader.

During the seventies, gas emerged as the cheapest way to heat a home. Recent estimates put the cost of heating a four-bedroom detached house at £400 a year with gas. Oil is double that figure, solid fuel around £500 and electricity storage radiators about £600.

Until the late seventies British Gas was spending heavily to promote gas sales, and the boiler makers, of course, benefited from that advertising. Then in the middle of 1979 the corporation ran into supply difficulties and dropped its advertising. Worse was to come when the recession bit in the spring of last year.

Destocking in the retail pipeline hit the manufacturers; by the end of the year most of their sales were down by as much as 40 per cent. About 800,000 gas boilers were installed last year but actual deliveries into the trade were only 290,000, a 42 per cent drop on the previous 12 months.

Stelrad reported that after resorting to extensive short-term working and substantial redundancies it had done well to break even in the first three months of this year. In March, and Tube Investments closed a

## Mr Borrie turns the heat on boiler makers



A gas board showroom window advertisement: bargains for the householder. But have some suppliers been rigging prices?

Radiation-Ascot factory at Birmingham.

Quite apart from the supply difficulties faced by British Gas, a big factor in the sales downturn has been the fall-back in new house starts.

The continuing slump in the new house market is bad news for the boiler makers and estimates that the gas boiler market during the present decade

might be worth £3,000m are beginning to look distinctly over-optimistic. The crux of the boiler makers' problem is that the central heating market is rapidly approaching saturation point. Of nearly 20 million homes, 11.6 million now have central heating—58 per cent compared with 46 per cent six years ago. Two-thirds of all central heating systems are gas fired.

Those homes still without central heating—low income households and the rented sector—are likely to get it only slowly. Only a revival of new house building is likely to give any fillip to sales, although as the recession eases the replacement market should reassert itself.

British Gas has resumed some promotion for gas appliances, including replacement boilers, but this is still comparatively low-key and the gas boiler manufacturers have banded together to launch a £1m promotional campaign to try to boost sales. Their immediate aim is to stabilize the declining sales.

Gas boiler manufacturers have always had a price advantage over oil installations because oil demands storage tanks as well as a boiler. Solid fuel boilers have also tended to be rather more expensive than gas. Electricity scores on initial costs, at the most two-thirds of that of a gas installation.

The installed price of an average-size gas central heating system is likely to be between £1,200 and £1,500; the list price of a boiler is £300 or more.

When most boilers went through the traditional channels of heating installation engineers who took their supplies from plumbers' and builders' merchants, margins were quite healthy.

But margins have started to be eroded since the growth in do-it-yourself. DIY chain stores have been able to offer boilers and other central heating equipment at near to trade prices. It is claimed that discounts off list prices can be as much as 50 per cent.

With the general sales decline and the emergence of the DIY market, installers of whole systems have also become more competitive, although it is always hard for consumers to see what part is played in an overall quotation by the cost of the boiler alone. Some installers may show discounted prices for items like boilers while charging rather more for labour; others may cost in reverse while producing similar quotations.

It is clear that the boiler makers have come under enormous pressures. Did these difficulties push some of them into price-fixing to defend their position? Mr Barrie thinks they did. He has has to prove it.

Derek Harris

Frank Vogl

## Why US interest rates could tumble

Washington

American interest rates are likely to show significant easing in the coming 12 months. At present the prime rate stands at around 20 per cent, while the rate of consumer price increases is below 10 per cent. This exceptionally large gap reflects widespread fears in the markets that the United States inflation will soon resume its upward path and that official anti-inflation policies will be relaxed.

Wall Street's anxieties are based on the experience of the past decade. Time and time again the authorities have declared their determination to beat inflation, time and again they have then boosted budget deficits and opened the money supply taps so adding momentum to inflation.

But the situation has changed. The lessons of the past have been digested by the Congress and, more importantly, by the Federal Reserve Board.

The central bank is showing a clear determination to slow money supply growth. Given time, the Fed's credibility will increase, inflation fears will diminish and the gap between interest and inflation rates will narrow. Helping the Fed is the new Reagan Administration. It is unusual for any United States Administration to actually lean on the central bank to tighten its policies, rather than relax them.

Some European politicians have derided America's high interest rate policy. To no small extent their criticism is merely an effort to distract public attention from the necessary anti-inflation policies that these European nations are themselves embracing.

Not one official in any finance ministry of any industrial nation has urged the Reagan Administration to ease American monetary policy, says Dr Beryl Sprinkel, the United

States Under-Secretary of the Treasury for Monetary Affairs.

Herbert Fries Leutwiler, head of the Swiss National Bank, recently said that for years European leaders have been demanding that America strengthen the dollar and take tough anti-inflation policies. He said that privately no European leader today wants America to abandon its anti-inflation course.

The Europeans, along with many Wall Street leaders, do want the Reagan Administration to abandon its tax cuts programme. Their argument is that without the tax reductions the United States budget would be in balance and this would greatly improve market expectations for American inflation. This, in turn, would reduce short-term money

months of 1981 the rate of money supply growth was well below the Fed's target levels and interest rates fell. However, in late March and April the money supply growth rate soared and interest rates rushed upwards. Recently the Fed controlled money supply growth better and interest rates have edged downwards.

Leaders of both the Reagan Administration and the Federal Reserve Board are going to great lengths to explain this point and they say that money supply growth will be modest.

In time the markets may start believing these authorities perhaps in six months time if in this period the money aggregates do show only gradual increases. A turn-around in market expectations could swiftly lead to much lower interest rates.

One thing is crystal clear—the United States authorities are not going to relax their money policies just because of complaints from overseas about their high interest rates.

Mr Paul Volcker, the chairman of the Fed, is respected in Europe in large measure because of his awareness and interest in European economic affairs. He has been patiently explaining to the Europeans that America cares about global economy and firmly believes it can make the best contribution to global stability by firmly staying with its tough, new, anti-inflation course.

The scepticism in United States markets about the Fed's ability to stay the course is not merely based upon the miserable record of money supply growth rates of recent years. There is the feeling that if a few savings and loans institutions (United States equivalents of building societies) go broke under the pressures of today's high interest rates, then the Fed will rush to the rescue, providing vast sums to the banking system and so under-

mining its tight money supply policies.

The problem with the savings and loan institutions is that government regulations stop them paying a competitive rate to depositors, so there are large outflows of savings when other interest rates are high.

The Fed has created a special group to monitor the condition of the savings banks. It has been studying regulatory ways of assisting the banks without having to pump in cash and it believes the fears in the markets on this front are grossly exaggerated. There can be little doubt, however, that

if rates do indeed stay at present levels for, say, another six months, then many savings banks will be in desperate condition. Some relief may come through tax legislation that enables the savings banks to attract new funds by offering tax-exempt certificates.

There are also fears in the markets that the Fed will be forced to relax its tight money grip as the federal government places pressures on interest rates by borrowing huge amounts in the markets. Such fears are fuelled by the present course of the budget for the fiscal year which ends on September 30.

The Reagan Administration has predicted that the deficit will be no more than \$55,000m (£28,000m), but in the first eight months of this fiscal year the deficit has amounted to \$65,000m and only a surplus in the four remaining months will enable the Administration to

By the end of 1981, United States interest rates should be moving down quite briskly and the trend is likely to continue into 1982, barring any sudden disasters such as a dramatic price rise to alter the inflation outlook. A year from now a modest 3 per cent to 4 per cent rate is likely to exist between the prime rate and the United States inflation rate—say a prime rate of 12 per cent. It might be less.

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avoid seeking far more funds than it planned. Treasury officials say bluntly that the \$55,000m figure will be reached.

Finally, market fears, tending to keep interest rates high, are due as well to the uncertainty surrounding President Reagan's tax and public spending bills, which are the subject of shouting matches between the parties in Congress.

Meanwhile, overall economic activity is declining, and so supply and demand for money are gradually declining. Interest rates for the next couple of months, then, as the economy revives and as government borrowing rises, will be in line with seasonal patterns in the third quarter—there may be a move back up to higher interest rates, possibly even a prime rate of 22 to 23 per cent. Continued high interest rates, however, seems assured for the coming months.

But by the final quarter of this year, it should be abundantly clear that the Fed is holding firm and that public spending restraint is a reality under President Reagan. It should also be clear that a short-term, dramatic rise in the inflation rate is improbable.

The United States harvest looks good and the global oil price is reasonably stable and these two pieces of good fortune should help to keep inflation below double figures.

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## Business Diary: England, home and booty

The owners of England's historic country houses. Government supporters perhaps to a man, have given Mrs Thatcher an earnest of their support for keeping down inflation.

Ironically, it is an effort that the Government—also the owner and administrator of many historic buildings, is far from making.

The average admission charge to English historic buildings this summer is 55p, 18 per cent more than last year. Since 1977 admission charges have more than doubled, at a time when retail price inflation has been more like two-thirds.

The are four main categories of owner for the 1,400 or so historic buildings open to the public this year—the Department of the Environment, the National Trust, local authorities and private—anything from belted earls to property companies.

Of these four, only the private owners are below the 18 per cent average price increase, with 16 per cent. Local authorities are up by 24 per cent, the National Trust by 25 per cent and the Department of Environment, highest of all, with 27 per cent.

There are DoE properties, such as Queen Victoria's dacha, Osborne House where the admission fee has doubled in two years. It is now £1.50—and admissions, say the ETB, are falling.

The Government at least can justify the increase in DoE charges, for as the English Tourist Board reports in its latest *English Heritage Monitor*, repair grants for old buildings are going up this year, by 11 per cent in real terms.

Local authorities, however, are reducing expenditure in real terms and obedient to Environ-

ment Secretary, Michael Heseltine, are also cutting back on conservation staff.

Two other interesting features of the monitor are that for the third year running London and West Yorkshire top the list of counties seeking demolition of listed buildings.

London is keen on knocking down terraces, such as Albany Street in north London while West Yorkshire, Leeds and Rotherham favour bulldozing Victorian mills.

As with admission charges, however, private enterprise makes the running in demolition applications: the ETB singles out as its star demolition of this year, Wedgwood's application to do away with Barlaston Hall, Staffordshire.

Whether or not Barlaston Hall goes depends upon Michael Heseltine. If the bill is demolished, it will be, says the ETB, the first grade I building to have been lost deliberately since London Bridge.

According to the ETB "England's least exploited tourist asset" are the 2,327 Anglican churches listed as grade A—of the highest historical or architectural interest. Should this set the Church Commissioners a-thinking there should be a good order for turnstiles in it for someone.

\*English Heritage Monitor 1981, ETB, £3.50.

### Sign off?

Doug Hoyle, Roy Jenkins and Stanley Sorrell, the three candidates in the Warrington by-election, no doubt have their own answer to the question asked on a hearing that one sees as the train from London heads north out of Crewe station.

The hoarding, which shows a



"It hasn't taken long for our customers' cooperative to catch on, has it?"

barrel of Vladimir vodka, asks: "Why else come to Warrington?"

Warrington, the next stop up the Inter-City line, is where the vodka is distilled by the long-established local brewers, Greenall Whitley.

The by-election date is July 16 and I would not be at all surprised if that particular poster were not taken down by then.

One outfit that thinks that there are many other reasons for coming to Warrington is the Warrington and Runcorn Development Corporation, which deploys more than £20m in public money each year in making Warrington and its environs more attractive to prospective employers.

The corporation, an official rells me darkly, is to talk to the brewery about "greater co-operation" in marketing War-

rington—particularly since some of this money is shortly to be spent on an advertising campaign, down south, where as every Northern knows, the cash is kept.

I rang a Greenall Whitley director and he told me that he did not know that the poster was there; but he gave me to understand that if he had anything to do with it, it would not be there much longer.

### Marsh gas

While his successor at British Rail seeks to electrify the railways, Sir Richard Marsh, one-time Labour Minister of Transport but now Margaret Thatcher's staunchest admirer is longing to liquefy the roads.

Sir Richard, shortly to be gaoled to the bosom of the House of Lords in the wake of the Queen's Birthday Honours list, has added to the string of directorships won and lost since he relinquished the chairmanship of BR in 1975, a non-executive seat on the board of Dual Fuel Systems.

DES, run from Luton by Peter Kaye and Charles Woolford, once managing director of Alpine Double Glazing, converts car fleets to run on liquefied petroleum gas (LPG).

With the right electronics and a pressurized tank installed, a flick of a switch transforms a petrol guzzler into a LPG guzzler. Performance at top speeds is poorer than petrol, and you get fewer mpg with liquefied gas—but at the moment, a gallon of LPG is 50p 60p cheaper than petrol.

Conversion between £320 and £350 a car. With the Pru, Norwich Union and Caparo Investments back-

ing Dual Fuel's growth plans to the tune of £1m, and the chance of a public flotation three to four years ahead, Peter Kaye wanted a big name to go with the company.

Someone well-known in the right places who could effect useful introductions.

### Darby and clone

Abraham Darby could not have imagined when he set up his first ironfoundry at Coalbrookdale in 1709, that a piece of metal might one day come to life and do much of the foundryman's heavy, dirty work for him.

For that is what is happening in the industrial age's oldest industry. The British Cast Iron Research Association, based at Alvechurch in Worcestershire, is testing a Swedish robot, to see what are the chances of following Swedish and United States foundries into the robot age.

However the advantages of robots to the foundry, BCIRA says—is that they can work in the dark, or positions where a man would have problems. They can also lift castings which would be too heavy for a man, and do the more boring jobs—save one.

This would be a new task, that of programming the robot, which, says the BCIRA is "tedious", and yet will still have to be done by humans.

Heard at a supermarket check-out: "£50 a week he gives me for housekeeping. Why, that's only equal to £20 I got when we married 15 years ago. And how far do you think £20 goes at today's prices?"

Ross Davies

## THE THROGMORTON TRUST LIMITED Interim Revenue Statement

The Board of Directors have pleasure in announcing the unaudited Revenue figures of the Company for the six months ended 31st May, 1981

	Six Months to 31.5.81	Six Months to 31.5.80	Twelve Months to 30.11.80
<b>GROSS REVENUE</b>	<b>1,660,355</b>	<b>1,904,217</b>	<b>4,432,377</b>
Less: Administration and Interest	243,109	255,715	487,753
<b>Less: Taxation</b>	<b>1,417,246</b>	<b>1,648,502</b>	<b>3,944,624</b>
	463,376	506,291	1,222,360
<b>Less: Preference dividend</b>	<b>953,870</b>	<b>1,142,211</b>	<b>2,722,264</b>
	38,063	38,063	76,125
<b>EARNINGS PER SHARE</b>	<b>2.17p</b>	<b>2.61p</b>	<b>6.26p</b>
<b>ORDINARY DIVIDENDS — pence per share</b>			
Interim 2.25p (1980 — 2.25p)	950,432	950,432	950,432
Final — (1980 — 3.75p)	—	—	1,584,054
<b>£ 950,432</b>	<b>£ 950,432</b>	<b>£2,534,486</b>	
<b>Unappropriated Revenue c/fwd</b>	<b>£ 821,362</b>	<b>£ 898,050</b>	<b>£ 855,987</b>
<b>NET ASSET VALUE PER SHARE</b>	<b>146.9p</b>	<b>108.8p</b>	<b>127.9p</b>

The Directors of The Throgmorton Trust Limited announce that an interim dividend of 2.25p per share (1980 — 2.25p per share) will be paid on 11th August 1981 to Shareholders registered as at 9th July 1981 in respect of the six months ended 31st March 1981.

Over the period the net asset value taking prior charges at par increased by 14.9% from 127.9p per share to 146.9p per share.

The reduced revenue reported above reflects the short term effect of the changes in the investment policy described in the Chairman's Statement published last March. The Board is confident of the long term benefits which will accrue and meanwhile do not expect income for the year ended 30th November 1981 to be materially less than that achieved a year ago. It is anticipated that a total dividend of not less than 6.00p per share will be paid for the current year (same).

The Company is managed by Throgmorton Investment Management Limited.



## FINANCIAL NEWS

## Stock markets

## Properties lead the way up

Equities made a firm start to the new account yesterday spurred on by further selective buying in several of the leading sectors.

Nevertheless, dealers described turnover as thin with investors again deterred by economic uncertainties and fears of further rights issues still to come.

Properties were the main feature of the day following suggestions that most property companies were now easy targets for takeover approaches from insurance companies anxious to defend their own positions. Double-figure gains were seen in many of the leaders, with Land Securities rising 13p to 409p, MEPC 11p to 247p, Great Portland 8p to 252p and Haslemere Estates 6p to 404p, although most were off their best at the close.

Defence issues were also a favourite target for investors after weekend comment on the defence cuts. Banks staged a welcome rally after hours.

The FT index, which was 1.0 higher at 10 am, closed at its high point for the day 3.0 up at 543.9.

Gilts too, staged their now regular Monday morning flurry after jobbers had marked prices £1 better at the outset.

President Reagan's budget victory, which could lead to lower interest rates in the Autumn, was put as one reason for the rally with yield considerations another.

Before long, gains of up to £1 were being seen at the longer end of the market with shorts up to £3 stronger. But by the close profit taking saw prices lose some of their edge with longs £1 higher and shorts anything up to £3/16.

Leading industrials continued to drift along with the rest of the market, with small gains in evidence at the close. ICI ended 2p up at 280p along with Beechams at 221p, Unilever at

57p, Courtaulds at 67p, Tube Investments at 154p and Grand Metropolitan at 219p. Fisons jumped 5p to 148p in a thin market.

Defence issues aroused interest with Hunting Associated up 15p at 340p, Smida Industries 16p higher at 391p and Flight Refuelling, where the annual meeting is being held today, up 7p at 360p.

Mail order companies are showing no sign of bouncing back from the worries about increased banking charges. Yesterday's winners were Row & Pimman placed a line of 1.8m Freemans shares at 104p, 8p below the closing market price of 112p.

But electricals did little, closing below their best and now awaiting GEC's figures later in the week. GEC closed 3p lower at 730p with Plessey 4p off at 335p and Rascal 3p lighter at 418p.

Improved profits and a free share dividend boosted Haslemere Estates 8p to 231p along with Somic, up 21p at 20p, and Brown & Tawse, 3p ahead at 118p. Only Norcross, down 2p at 105p, and Brent Walker, 1p lighter, at 57p, failed to please.

Awaiting trading statements soon, Mercantile House advanced 35p to 813p, Dowty 11p to

302p and Granada 3p to 250p. BET, reporting today, hardened 4p to 148p.

The usual round of weekend comment helped, among others, Jamesons Chocolates 10p to 75p, Saatchi & Saatchi 3p to 316p, Crystalate 4p to 79p, Laird Group 4p to 131p, First Castle Securities 10p to 125p and Whatman Reeve 15p to 170p. Speculative attention lifted Arbutnot Latham 15p to 340p, Rothmans International "B" 2p to 73p, Wm Press 4p to 76p and Letraset 3p to 83p. News of increased share stakes was also good for 4p on B&K & Pearsland at 60p, 4p on HJ Quick at 64p, 2p on F Pratt at 90p and 3p on FH Lloyd on 37p.

Still awaiting further bid developments, GHI Downing raced ahead 8p to 244p with acquisition news adding a further 15p on Vinten Group at 244p.

Shares of Anglo Argentine Tramways were suspended awaiting publication of the group's proposed reorganization.

In stores Mothercare lost another 8p to 200p after recent profit warnings, but GUS "A" closed 8p dearer at 433p with House of Fraser 3p higher at 176p.

Banks provided strong interest after hours amid takeover gossip.

Barclays rose 13p to 433p, Midland 5p to 325p, Lloyds 13p to 393p and National Westminster 10p to 390p.

Oils, too, recovered after a hesitant start although business was described as patchy, and conditions volatile. BP closed unchanged at 316p while Shell rose 2p to 438p, Ultramar 2p to 453p, Tricentrol 6p to 268p and Barmah 2p to 133p. Among

The market's firm tone was clearly demonstrated when a line of 400,000 Whitbread vodka quickly placed followed by 200,000 Redland and 300,000 BTR all at around the quoted levels.

second liners, Berkeley Exploration leapt 14p to 361p. Equity turnover on June 26, was £144.942m (19.25m bargains). Active stocks, according to the Exchange Telegraph, were First Castle, Letraset, Alden House, Land Secs and Dowty.

Traded Options: Business showed a small improvement with 1,549 options completed of which puts accounted for 137. Rascal was popular on 260 along with Grand Met on 208.

Traditional options saw calls in Premier Oil at 71p, ICI at 22p, Western Areas at 28p and a double in NFEC at 51p.

## Latest results

Company	Sales	Profits	Earnings	Div	Pay	Year's
	£m	£m	per share	pence	date	total
Brent Walker (F)	10.2(11.1)	0.28(0.93)	10.79(14.5)	1.4(1.4)	1.75(1.75)	1.75(1.75)
Brown & Tawse (F)	49.14(62.94)	1.57(4.15)	71.9(20.6)	5(5)	6.4(6.4)	23(20)
Country Gents (F)	2.32(2.47)	0.02(0.01)	75(43)	25(20)	23(20)	23(20)
Haslemere Foods (F)	11.9(8.2)	1.0(0.7)	12.3(15.0)	4(4.33)	1/10	7(6)
Lon. & Lpool Tst. (F)	7.53(0.075)	0.65(0.05)	4.8(0.97)	1.2(—)	20/10	1.7(0.84)
Milbury (F)	10.8(11.6)	1.2(1.8)	21.15(33.8)	2.8(—)	4/9	4.9(4.9)
Marshall (F)	36.5(33.8)	0.7(1.0)	15.3(22.4)	3.5(3.5)	1/10	4.5(4.5)
New Court (F)	23.5(21.4)	0.7(1.0)	2.11(1.34)	3(3)	7/8	5(5)
Arthur Holden (F)	23.5(21.4)	0.7(1.0)	12.8(20.3)	3(3)	—	—
Regalians Props. (F)	0.89(0.86)	0.29(0.4)	4.53(8.36)	—	—	—
Sonic (F)	2.6(2.5)	0.07(0.06)	0.62(3.10)	1.0(2.7)	—	—

Dividends in this table are shown net of tax on profits per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.428. Profits are shown pretax and earnings are net. \*Loss. †Net.

## Do London Trust really know where they're going?

Of course we do! No investment trust achieves consistently acceptable results by relying solely on luck, intuition or anything short of investment acumen and a shrewd eye for the most promising situations available throughout the world.

## Successful Investment

Last year, both asset value and income again showed a substantial increase. Our reputation for successful investment in high growth areas was further enhanced and we once more demonstrated our unwavering commitment to turning potential into profit by sponsoring innovative ideas and supporting individual entrepreneurs.

## Enlarged Overseas Investments

Our search for investment opportunities is worldwide, with overseas investments now representing almost 40% of the total. Our dividend increase of 0.5p was a 3.6% improvement on the inflation rate and our net assets showed an increase of 22.7% to 111.2p. This compares with an increase of 23.7% in the Financial Times Ordinary Share Index, 27.8% in the Dow Jones Index and 28.9% in the Financial Times All Share Index.

Gross income rose by 26.4%. Net income, underlying the effect of higher interest cost of borrowings, rose by a more modest 14.9%.

## CHICAGO - U.S.A.



During the past year we increased our interest in 666 North Lake Shore Drive (the building with the steeple shown above) to 20%. Clearance and salvage work preparatory to the contractors commencing was completed last January. Restoration work involves creating 65,000 sq. ft. of retail space, 203,000 sq. ft. for car park facilities, 446,000 sq. ft. for office accommodation, 186,000 sq. ft. for apartments for rental, and 605,000 sq. ft. for apartments to sell. The whole project is due for completion by December 1982. A 4-year \$70 million bank loan ensures adequate finance. To give a comparative impression, the building covers 109,000 sq. ft. of freehold site rising 29 storeys. Harrods at Knightsbridge covers a 196,000 sq. ft. site and rises to 5 storeys.

## NEW MEXICO - U.S.A.

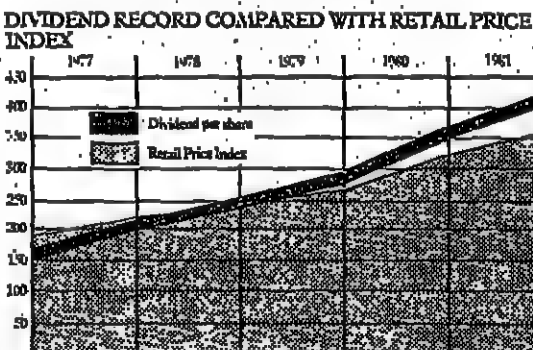


We illustrate the rig which has been contracted to commence drilling on a Seville-Triente licensed area near Deming, New Mexico in September 1981. This company, in which London Trust recently increased its equity holding to 48%, has for the past 5 years acquired licensed areas in New Mexico and presently holds drilling rights over some 110,000 acres.

## Substantial Reserves

The total dividend constitutes almost a full distribution of income, leaving only a marginal amount to add to revenue reserves, which stand at £2.2m. Realised gains of £17.1m were equally encouraging.

Many of our investments are in new and exciting fields such as oil and mineral exploration, video productions, cable television, property time-share schemes and computers. But we are equally keen to share in the success of established companies in a wide variety of national and international sectors including energy, engineering and finance.



## SULTANATE OF OMAN



Gulf Abrasives L.L.C. After a year's delay in obtaining registration of this Omani company, incorporated to develop a large body of copper slag required in the processing of shot blast grit, production is now due to commence in July 1981. In partnership with another UK company, Melico International Limited, managers of the project, our 20% interest is joined by several of the leading Omani citizens as individual shareholders.



## LONDON TRUST COMPANY LIMITED

## Changing potential into profit.

If you would like to receive a copy of the London Trust Company Report and Accounts 1981, send this coupon to Rivermoor Management Services Ltd, FREEPOST, London WC1A 2BR. (No stamp required in the UK).

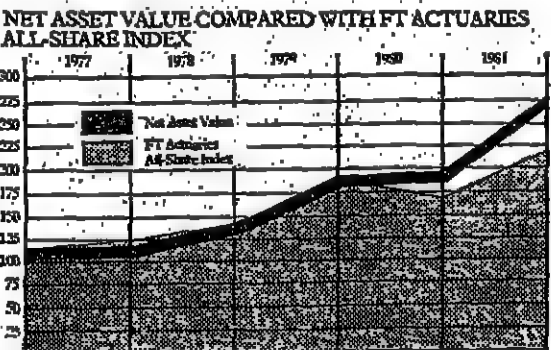
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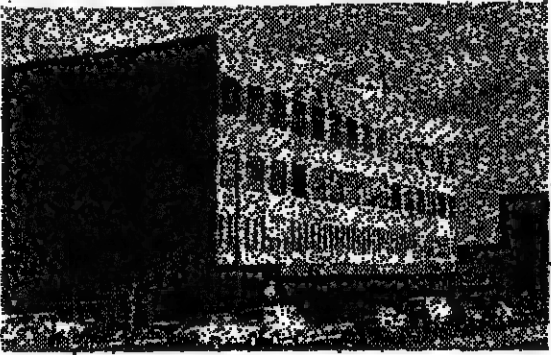
## Wide and Impressive Portfolio

Our shareholders are not limited to institutional investors - though our portfolio is wide and impressive enough to have attracted some of the biggest. We offer the individual just the same range of benefits and opportunities. In fact last year we welcomed many new members.

If you would like to find out more about London Trust, please complete and return the coupon and we'll send you a copy of our 1981 Report and Accounts.



## MELBOURNE - AUSTRALIA



In addition to our 10% interest in Australian Farming Limited and our 100% ownership of the Berwick Business Park development (shown in last year's Report) we have purchased the above fully rented office building situated in Dandenong, Melbourne, and a 10% holding in Aberdeen Assets Ltd.

## Texas oil group for London market

By Catherine Gunn

Private Texas oil company Jackson Exploration comes to London's unlisted securities market next week with a £2.9m offer for subscription for 4 million new shares - 10 per cent of the enlarged equity - at 72p each.

The offer, which values the company at £28.8m, has been underwritten by a spread of institutions after meeting some resistance from funds rhapsody with oil shares since BP's £600m rights issue two weeks ago.

The stockbroker to the issue, Leasing & Cruikshank, said yesterday that the 72p issue price was pitched with a 'dull oil sector in mind, but largely reflects the \$52.3m (£26.8m) valuation at April 1 of proven and probable reserves in Texas, Louisiana and Oklahoma, where Jackson operates farm-in agreements under which its partners each pay a quarter of the exploration costs for a sixth of the revenues.

Jackson is forecasting net income of \$3.2m for 1981 and its first dividend of 11 cents against net income of \$1.03m in 1980. The issue will also broaden the equity base. Debt at December 31 was \$8m (£4.1m), excluding \$1.68m cash. A 5 to 10 per cent premium to the 72p offer price is looked for when trading begins on the USM on July 13.

Jackson may seek a full Stock Exchange listing, and says it is probably will make a cash call in two or three years' time.

It is the first private United States oil and gas operator to come to the London market, where various North American drilling funds have raised cash calls, though London was picked for its status as an international financial centre, there are no plans to explore outside the United States just now.

## Brown &amp; Tawse sinks to £1.6m

By Margaret Pagano

Pretax profits of Brown & Tawse, the steel stockholder and engineer, were more than halved in the year to March and the group sees no sign of an improvement.

Profits fell from £4.15m to £1.57m as the decline in demand for steel products accelerated in the second half. Sales slumped by £13.8m to £49.1m.

The final gross dividend has been held at 7.14p, making an unchanged total for the year of 9.14p gross. This, together with news of Brown's improved liquidity position, helped the shares to rise 3p to 118p yesterday just off the year's high.

Mr Douglas Rae, the chairman, said that swift action had

been taken during the year to reduce costs. Destructing has reached reasonable levels with stocks cut by £7.5m.

Demand fell away progressively during the year, falling by 30 per cent for some steel products. This caused heavy destocking by consumers and producers alike, and led to intense price competition.

By March, Brown had made 200 redundancies, and another 100 followed last month, reducing the workforce to 800 overall. Most cuts were made in the engineering and plant hire divisions which suffered particularly during the year.

Interest charges have been clipped from £968,000 to £705,000 by cutting stock levels.

By the end of this year, the group expects to be receiving interest. Liquidity has improved from £1.4m to £2.57m.

The removal of clawback of tax relief on stock increases has released £5.8m from deferred accounts to reserves, which now stand at £23.8m. Net assets per share have increased from 192.5p to 256.2p.

The Dundee-based group sees no sign of an improvement in demand for steel, although destocking by about 80 per cent of the industry appears to have slowed down. Sales in the first three months continued at the low level of the previous six months. Unless there is any real return in demand, Mr Rae expects similar trading results this year.

## Briefly

York Trailer Holdings has decided not to make the payment of the preference dividend due March 30 but will consider the commencement of payments as soon as its financial position improves.

Sonic: Div 1.0p for year to March 31, 1981. Turnover £2.8m (£2.52m). Profit after tax £72,000 (£62,000). Tax credit £74,000 (£74,500) debit. Loss per share £2.80 before writing back deferred tax £24,400 (£3,02p).

Spong and Co: In his annual review, Mr C R Spong, chairman, says that principal factors constraining the company's performance in 1980 were declining export sales and consequent inability to recover overheads.

Also company's new product range did not meet with the success anticipated due to the adverse trading conditions.

Bliss and Medicines: Offers by Associated British Engineering unconditional in all respects and extended until further notice.

ABE has received acceptance in respect of 4.32m new ordinary shares (83.1 per cent) and 4.39m deferred shares (83.1 per cent).

Milbury: Dividend held at 7p gross for year to March 31, 1981, over £10.83m (£11.57m). Pretax profit £1.21m (£1.81m). EPS 21.15p (33.82p).

Vinten Group has started negotiations which may lead to the acquisition of Eveready Power optics of Chertsey, Surrey, a wholly owned offshoot of Brown Boveri Kent.

May and Hassell has acquired the leasehold premises at Monk Meadow, Gloucester, of Herbert W. Ingram. They will be used to house the company's subsidiary.

KCA Drilling Group: Offer for sale of 20m shares at 95p attracted 8,483 applications for 13.01m shares which have been allotted in full. Balance will be taken up by underwriters. Dealings will commence on Thursday July 2.

Regalians Properties: Turnover for year to March 31, 1981, £287,000 (£286,000). Pretax profits: £300,000 (£403,000). No dividend (same).

## Downturn at Arthur Holden

Arthur Holden & Sons, the maker of lacquers and coatings for metal packaging, yesterday reported pretax profits down from £2.1m to £1.42m.

Sales rose by £2.4m to £23.8m. The final gross dividend is unchanged at 4.25p, making a same-gain total 7.14p gross.

Mr P A J Sturge, the chairman, said yesterday that second-half trading suffered from a serious drop in demand, severe competition and lower prices. This reduced profits of Holden Surface Coatings and led to a loss at the Edward Marsden subsidiary. But improved earnings from Holden Europe SA, France helped to offset these falls.

He added that lower profits are expected in the current first half. Capital expenditure is being maintained and includes a large resin reaction vessel and expansion in Holden Europe.

## Marshall's (Halifax) down 15pc for year

By Rosemary Unsworth

Marshall's (Halifax), the Yorkshire concrete, quarrying and engineering group, saw its profits fall by 15 per cent last year, while turnover rose from £34,000 to £12.3m, although charges and a fall in the engineering division's contribution, as well as high redundancy payments.

Pretax profits slipped from £3.2m to £2.7m in the year to March 31, while turnover rose from £33.8m to £36.5m. The concrete division showed an almost unchanged profit of £3.75m compared with the previous year and its sales from quarrying rose by £2m to £25.7m.

The strength of sterling and strong competition throughout the world pushed the engineering companies from a profit of £331,000 to £187,000 on sales of £10.7m against £10.1m in 1980.

Redundancy costs of £2.8m taken above the line added to the fall in group profits. Interest charges went up from £584,000 to £1.23m, although borrowings at the year end were down by £1m to £6.8m.

Marshall's also suffered currency losses of £80,000, compared with £29,000 on its equity investments in France and the Irish Republic.

The performance of the South African engineering companies reflected the strength of the strong economy and although the French companies were in profit overall, one company made a loss. The Irish also broke even although the devaluation of the punt depressed that result.

The final dividend has been maintained at 5p gross after adjusting for the scrip issue.

## Hereditaments purchase agreed

Hambro Life has agreed in principle to purchase the share capital of Hereditaments, which owns the Allied Hambro group of unit trust management companies for £5.5m from Hambro & Co. Payment will be partly made up by a special dividend of about 10p with the balance in cash. The dividend declaration will result in Hereditaments having net assets of some £800,000 at March 31, 1981.

Allied Hambro, which is 44 per cent owned by Hambro & Co, manages 24 unit trusts with total funds of £475m of which £313m is held by Hambro Life and £162m by other unit holders. It also manages Hambro Life's pension equity funds of £180m.

## Bank Base Rates

ABN Bank	12%
Barclays	12%
BCCI	12%
Consolidated Credits	12%
C. Hoare & Co.	12%
Lloyds Bank	12%
Midland Bank	12%
Nat Westminister	12%
TSB	12%
Williams and Glyn's	12%

\* 7 day deposit on terms of £10,000 and above. \*\* 90 day deposit on terms of £50,000 and above.

## M. J. H. Nightingale &amp; Co. Limited

27/28 Lovett Lane London EC3R 8BB Telephone 01-621 1212

## The Over-the-Counter Market

1980/81	High	Low	Company	Price	Ch/gs	Gross Dividend	Yld %	Fullly Paid	Actual
76	39	39	Airsprung Group	68	—	4.7	6.9	10.8	14.9
82	21	21	Armstrong & Rhodes	47	—	1.4	3.0	19.3	44.8
200	321	321	Bardon Hill	200	—	9.7	4.9	7.5	12.8
104	88	88	Deborah Services	101	—	5.5	5.4	5.0	9.5
126	48	48	Frank Horsell	103	—	6.4	6.3	3.2	5.9
110	39	39	Frederick Parker	64	—	1.7	2.7	27.8	—
110	64	64	George Blair	64	—	3.1	4.8	—	—
110	89	89	Jackson Group	110	—	7.0	6.4	5.5	7.8
130	103	103	James Burrough	190	—	8.7	6.7	9.5	11.0
234	244	244	Robert Jenkins	84	—	31.3	10.0	8.5	7.9
55	50	50	Scrummings "A"	55	—	5.3	9.6	8.5	7.9
224	156	156	Torday Limited	138	—	15.1	7.6	7.6	13.1
23	8	8	Twinkl Oak Ltd	14	—	—	—	—	—
90	68	68	Twinkl 15% ULS	80	—	15.0	18.8	—	—
56	35	35	Unilock Holdings	40	—	3.0	7.5	6.2	9.8
103	81	81	Walter Alexander	103	—	5.7	5.5	5.7	9.1
263	181	181	W. S. Yeates	252	—	13.1	5.2	4.8	9.7

## The fastest growing company in the last decade.

The search for further opportunities continues, with projects under review on a national and international basis, covering mining, oil and gas exploration, construction and property development.

FINAL RESULTS TO 31 March			
	1981 £000's	1980 £000's	Increase
Group turnover	98,069	85,112	15%
Profit before taxation	17,463	7,319	70%
Profit available for appropriation	11,074	6,118	81%
*Earnings per share	113.2p	89.60p	26%



This advertisement has been issued by British Sugar Corporation Limited

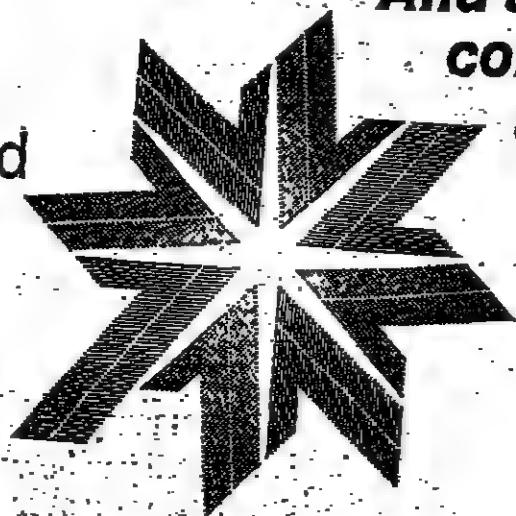
WHAT'S THE  
ONLY STRATEGY  
FOR SUCCESS?

STAY WITH  
THE WINNING TEAM,  
OF COURSE.

## British Sugar-the record speaks for itself

- British Sugar is a British success story.
- EEC quotas assured for 5 years – and supply and market demand efficiently balanced
- Pre-tax profits forecast to be up 518% since 1975 – and over half the UK sugar market won.
- A united company – Board, management and other employees – against the bid and fighting for independence.
- A forecast pre-tax profits and dividend increase of 43% – even in this year of recession.
- That's what we mean by a winning team.
- A successful investment and rationalisation programme completed – on time, and within budget.
- And that's why we urge shareholders to continue to reject the opportunistic and illogical Berisford bid.

**REJECT THE BID**



**BRITISH SUGAR**  
CORPORATION LIMITED  
**THE RECORD SPEAKS FOR ITSELF**

The publication of this advertisement has been approved by a duly authorised committee of the Board of British Sugar Corporation Limited. Each Director has taken all reasonable care to ensure that both the facts stated and the opinions expressed herein are fair and accurate. Each Director of British Sugar Corporation Limited accepts responsibility accordingly.







## Properties back in favour

§ Forward bargains are permitted on two previous days

# Hampton & Sons

01-493 8222

## My Market

## My Market

[illegible]







## Salerooms and Antiques

## Sotheby's

FOUNDED 1744

## New Bond Street

Sotheby's Park Lane & Co.,  
34-35 New Bond Street, London W1A 2AA  
Tel: (01) 493 8080Tuesday 30th June at 10.30 am and 2.30 pm  
CONTINENTAL POTTERY AND PORCELAIN  
Cat. (182 illus.) £6.50Tuesday 30th June at 5 pm  
IMPORTANT IMPRESSIONIST AND MODERN  
PAINTINGS AND SCULPTURE Cat. (120 illus.) £10Wednesday 1st July at 10.30 am and 2 pm  
MILITARY AND NAVAL CAMPAIGN MEDALS,  
GALLANTRY AWARDS AND OTHER ENGLISH  
AND FOREIGN ORDERS, MEDALS AND  
DECORATIONS Cat. (112 illus.) £2Wednesday 1st July at 11 am  
IMPORTANT IMPRESSIONIST AND MODERN  
DRAWINGS AND WATERCOLOURS  
Cat. (288 illus.) £3.50Thursday 2nd July at 11 am  
MODERN AND CONTEMPORARY ART  
1945-1981 Cat. (158 illus.) £10Friday 3rd July at 11 am  
ENGLISH FURNITURE Cat. (26 illus.) £1.50Monday 6th July at 2.30 pm  
GOLD BOXES, OBJECTS OF VERTU AND  
EUROPEAN SILVER Cat. (122 illus.) £5.50Tuesday 7th July at 10.30 am  
THE KRUG COLLECTION OF GLASS, PART 1  
Cat. (82 illus.) £2Tuesday 7th July at 11 am  
POSTAGE STAMPS OF THE WORLD  
Cat. (51 illus.) £2

Other salerooms and offices: Bournemouth (0202) 294425/6; Cambridge (0223) 67624/5; Chesham (0494) 510500; Edinburgh (031) 226 7281; Glasgow (041) 221 4817; Harrogate (0423) 501466; Jersey (0534) 43268; Skaneateles (0613) 24401; Taunton (0623) 84441

## Bloomfield Place

Sotheby's Park Lane & Co., Bloomfield Place,  
New Bond Street, London W1A 2AA  
Tel: (01) 493 8080Tuesday 30th June at 10.30 am and 2.30 pm  
FRENCH AND OTHER GLASS PAPERWEIGHTS  
Cat. (67 illus.) £2Tuesday 30th June at 5 pm  
FRENCH AND OTHER GLASS PAPERWEIGHTS  
Cat. (67 illus.) £2Wednesday 1st July at 11 am  
GOOD FRENCH AND CONTEMPORARY  
FURNITURE, DECORATIVE CLOCKS AND  
WORKS OF ART Cat. (162 illus.) £5Thursday 2nd July at 11 am and 2.30 pm  
CONTINENTAL CERAMICS Cat. (106 illus.) £1.75Friday 3rd July at 11 am and 2.30 pm  
DECORATIVE ARTS INCLUDING ART  
NOUVEAU AND ART DECO Cat. (202 illus.) £4.25Tuesday 7th July at 11 am  
VICTORIAN PAINTINGS, DRAWINGS AND  
WATERCOLOURS Cat. (76 illus.) £1.25Tuesday 7th July at 11 am  
VICTORIAN PAINTINGS, DRAWINGS AND  
WATERCOLOURS Cat. (76 illus.) £1.25Tuesday 7th July at 11 am  
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WATERCOLOURS Cat. (76 illus.) £1.25Tuesday 7th July at 11 am  
VICTORIAN PAINTINGS, DRAWINGS AND  
WATERCOLOURS Cat. (76 illus.) £1.25

## Ardingly

The South of England Showground,  
Ardingly, Haywards Heath, Sussex  
Tel: Ardingly 892605/892648Saturday 11th July at 11 am  
VETERAN, VINTAGE AND SPECIAL INTEREST  
VEHICLES Cat. (22 illus.) £2and at 2 pm  
MILITARY VEHICLES, BICYCLES AND  
AUTOMOBILES Cat. (26 illus.) £2Chester, Cheshire  
Sotheby's Bedford Adams Tel: (0244) 315531Friday 10th July at 10.30 am and 2.30 pm  
EUROPEAN AND ORIENTAL CERAMICS,  
GLASS AND WORKS OF ART Cat. £1.50Pulborough, West Sussex  
Sotheby's King and Chasemore  
Tel: (07983) 3831Tuesday 7th July at 10.30 am  
GEORGIAN, VICTORIAN AND OAK  
FURNITUREWednesday 8th July at 10.30 am and 2 pm  
PAINTINGS AND SILVERThursday 9th July at 10.30 am and 2 pm  
ENGLISH, EUROPEAN AND ORIENTAL  
CERAMICS AND GLASS Cat. £1.50Torquay, Devon  
Sotheby's Bence, Tel: (0803) 26277This week, Wednesday  
CERAMICS AND GLASS  
Wednesday 8th July at 10 am  
COLLECTOR'S ITEMS, CLOCKS AND  
WATCHES Cat. £2

## Phillips

Tuesday, 30 June, 11 a.m.

FURNITURE, CARPETS AND WORKS OF ART

Tuesday, 30 June, 2.30 p.m.

IMPORTANT JEWELS

Wednesday, 1 July, 11 a.m.

GOOD CHINESE CERAMICS AND WORKS OF ART

Wednesday, 1 July, 2.30 p.m.

Illustrated Catalogue £1 by post.

Wednesday, 1 July, 12 noon.

AUTOMOBILES, AERONAUTICS, NAUTICS AND CYCLING

Viewing: 1 day prior 9 a.m.-4.30 p.m. and morning of sale until 11 a.m.

Illustrated Catalogue 70p by post.

Thursday, 2 July, 11 a.m.

ART, NOUVEAU, DECORATIVE ARTS AND STUDIO CERAMICS

Illustrated Catalogue £2 by post.

Thursday, 2 July, 2.30 p.m.

PRINTED BOOKS, MAPS, ATLASES AND MANUSCRIPTS

Maps and Atlases including W &amp; J Allen's Novus Atlas Vol. 6 China, 1655; 1: Speed's Theatre of the Empire of Great Britain, 1677.

Manuscripts including correspondence of the first Earl of Shaftesbury, 1735-1821; papers of Frederick, 18th Earl of Guilford, 1762-1821; philatelic and founder of the London University.

Illustrated Catalogue £1.75 by post.

Friday, 3 July, 11 a.m.

SLIVER AND FINE

Illustrated Catalogue 75p by post.

Monday, 5 July, 11 a.m.

FURNITURE, CARPETS AND OBJECTS

Monday, 5 July, 2.30 p.m.

OIL PAINTINGS

Monday, 5 July, 2 p.m.

PRINTS

Including a Collection of Etchings by Nathaniel Sparks.

Illustrated Catalogue £3.50 by post.

Tuesday, 7 July, 11 a.m.

FURNITURE, CARPETS AND WORKS OF ART

Catalogue 75p by post and viewing 3 days prior to sale.

7 Mark Lane, New Bond Street, London, W1 0AX Telephone: 01-493 8082

Member of the Society of Art Auctioneers

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8 King Street, St James's  
London SW1Y 6QT Tel: 01-839 9060  
Telex 916429 Telegrams CHRISTIART  
London SW1

Today, Tuesday, 30 June at 10.30 a.m.  
JAPANESE WORKS OF ART. Catalogue £2.10.

Tuesday, 30 June at 11 a.m.

IMPORTANT ENGLISH DRAWINGS AND WATER-  
COLOURS. Catalogue £5.

Tuesday, 30 June at 2.30 p.m.

CONTEMPORARY ART. Catalogue £5.50.

Thursday, 2 July at 11 a.m.

IMPORTANT FRENCH FURNITURE, OBJECTS OF ART  
AND TAPESTRIES. Catalogue £4.50.

Thursday, 2 July at 10.30 a.m.

BURGUNDY, HOCK AND CHAMPAGNE. Catalogue

Friday, 3 July at 11 a.m.

IMPRESSIONIST AND MODERN PAINTINGS, DRAW-  
INGS AND SCULPTURE. Catalogue £5.

Monday, 6 July at 10.30 a.m.

FINE CONTINENTAL PORCELAIN. Catalogue £2.80.

Tuesday, 7 July at 11 a.m. and 2.30 p.m. and

Thursday, 8 July at 11 a.m.

IMPORTANT OLD MASTER DRAWINGS.  
Catalogue £5.50.

Late night viewing Monday, 6 July until 7 p.m.

CHRISTIE'S & EDMISTON'S LTD.  
164-166 Bath Street, Glasgow  
Tel: (043) 332 8134

AT 4 DRUMMOND PLACE, EDINBURGH

Thursday, 2 July at 11 a.m.

IMPORTANT VICTORIAN AND MODERN SCOTTISH  
PAINTINGS, WATERCOLOURS AND DRAWINGS,  
INCLUDING WORKS FROM THE COLLECTION OF  
THE LATE SIR WILLIAM MACGARGAR, F.R.S.A.

Thursday, 2 July at 6 p.m.

PAINTINGS, WATERCOLOURS AND DRAWINGS BY  
THE LATE SIR WILLIAM MACGARGAR, F.R.S.A.  
FROM HIS STUDIO. SOLD BY ORDER OF  
THE EXECUTORS.

Catalogue for both the above sales £5.50.

All catalogue prices are post paid.

All sales subject to the conditions printed in the  
catalogue.

For details of sales at Christie's South Kensington,  
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Tel: (01) 581 2321.

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